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Hence it is important that all participants gave their informed consent in writing prior to inclusion in the study. Identifying details (names, dates of birth, identity numbers, and other information) of the participants that were studied should not be published in written descriptions, photographs, and genetic profiles unless the information is essential for scientific purposes and the participant (or parent or guardian if the participant is incapable) gave written informed consent for publication.

Complete anonymity is difficult to achieve in some cases, and informed consent should be obtained if there is any doubt. If identifying characteristics are altered to protect anonymity, such as in genetic profiles, authors should provide assurance that alterations do not distort scientific meaning.

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## LOCAL SELF-GOVERNMENT IN A CRISIS CAUSED BY THE COVID-19 PANDEMIC: THE CASE OF SERBIA

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**Abstract:** *This research examined whether there is an elaborate system of protocols, protection, and prevention in place at the local self-government level in the event of a crisis caused by an epidemic or pandemic. The core idea of this paper was to evaluate the protocol's effectiveness at the local self-government. Analysis was conducted using responses of 16 local self-government authorities. During a crisis caused by an epidemic/a pandemic of infectious illnesses, surveys were done as a cross-section documenting and detecting the current state of local self-government functioning. Methods used in the study are defining the objectives of the research, conceptualization, analysis of legal regulations, economic analysis, and decomposition of the problem. Key results and arguments of this paper expanded existing research thus there are only certain empirical data from areas that have been affected by the infectious disease caused by the epidemic/pandemic. Data was collected, processed, and systematized to serve in model formulation. As a brief conclusion, this study suggested protocol effectiveness at the local self-government level representing the idea that emergency and crisis management should be organized to preserve the health and livelihood of the population in the area affected by the pandemic of infectious diseases and thus enable the functioning of economic activities and society as a whole.*

**Keywords:** *Law; Security; Economy; Emergency; Covid-19; Serbia; Epidemic; Pandemic*

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## INTRODUCTION

Emergencies can be declared due to various influential events that have harmful consequences for the population and material goods and endanger the social community in the affected area (Karović *et al.* 2020, 58). Emergency management should be organized to preserve the health and livelihood of the population in the area affected by the epidemic/pandemic of infectious diseases and thus enables the functioning of economic activities and society as a whole. The results of the research will contribute to the development of the functioning of local self-governments in various types of events and functions in emergencies. At the same time, the scientific fund from the sphere of security sciences will be enriched and the fund for the development of scientific research methodology will be enriched. In practical terms, the problem of efficient functioning of local self-government in the conditions of an epidemic/pandemic of infectious diseases is solved (especially in the light of the pandemic caused by the Covid-19 virus) through a practical and theoretical model. Among the issues we encountered there is also the issue of communication in crises - how is communication done within the crisis staff, how is communication outside the crisis headquarters to the public done. At the same time, it is expected to find a model of efficient action of local self-government in such a situation that will be applicable for 5-10 years and thus create a scientific basis for further development of an efficient system of local self-government in various crises situations.

Analysis was conducted using responses of 16 local self-government authorities (Sremska Mitrovica, Backa Topola, Sombor, Sremski Karlovci, Subotica, Backi Petrovac, Odzaci, Pancevo, Ruma, Beocin, Apatin, Vrbas, Zrenjanin, Secanj, Pecinci, Backa Palanka) which makes 36% of the total number of local self-governments in the area of Autonomous Province (AP) Vojvodina. At this point in the research, there have been 19 surveys completed from which we can draw major conclusions, according to the research divided into 3 parts: 1) Crisis management at the level of self-government in a situation caused by a pandemic; 2) Harmonization of legal regulations and practical protocols in the conditions of the epidemic/pandemic; 3) The circumstances and consequences for business entities at the level of local self-government in an emergency caused by a pandemic.

According to OECD Policy Responses to Coronavirus (Covid-19) 'The Territorial Impact of Covid-19: Managing the Crisis across Levels of Government' (2020), the Covid-19 crisis has a strong territorial dimension with significant policy implications for managing its consequences. Two central considerations for policymakers are 1) The regional and local impact of the crisis is highly asymmetric within countries. Some regions, particularly the more vulnerable ones, such as deprived urban areas, have been harder hit than others. Certain vulnerable populations, too, have been more affected. In economic terms, the impact of the crisis is differing across regions, at least in its initial

stages. Differentiating factors include a region's exposure to tradable sectors, its exposure to global value chains and its specialization, such as tourism; 2) Subnational governments (regions and municipalities) are responsible for critical aspects of containment measures, health care, social services, economic development, and public investment, putting them at the frontline of crisis management. Because such responsibilities are shared among levels of government, coordinated effort is critical.

One of the important results and effects of this research is the basis for activating existing multi-level coordination bodies of local self-government that bring together subnational government representatives to minimize the risk of a fragmented crisis response. Supporting and providing cooperation in crisis management across local self-governments and regions to help minimize disjointed responses and competition for resources. The circumstances in inter-regional or inter-local self-government collaboration in procurement especially in emergencies should be better by sharing information and experience. The consequences are reduced by the formation of a unified system of information and communication, the usage of e-government tools, and digital innovation to simplify, harmonize and accelerate procurement practices at the local self-government level. The research goal is to detect a model that will ensure the efficient and effective functioning of local self-government in the conditions of an epidemic/pandemic of infectious diseases. In particular, the crisis plan at the level of local self-government will be covered, which will address issues of communication with the public and cooperation with the bodies of the Ministry of Internal Affairs, the Ministry of Defense, medical centers, and the business sector. The model will also include the organization of the functioning of civil protection in crises caused by the pandemic.

## COMPOSITION

Emergencies arise as a result of events that cause harmful consequences for people and the environment. The subject of research can be defined as a model of efficient functioning of local self-government in the conditions of an epidemic/pandemic of an infectious disease. The model includes the implementation of security measures and protection of people and material resources and the definition of a crisis plan that is an integral part of the proposed model of work of local governments and economic entities in such a situation.

The research is conducted in 3 phases:

I Phase - preliminary research, involves activities to create a material and theoretical basis. The first activity in this phase is defining the objectives of the research, conceptualization, and analysis of legal regulations, economic analysis, and decomposition of the problem. In addition, at this stage, relevant literature, available sources from the country and abroad will be collected and methods and techniques will

be applied that will be applied in the research. The research is primarily related to the organizational form of functioning of local self-government and the implementation of the protection and rescue plan in such a situation.

II Phase - development and implementation, involves the implementation of the project to assess the capacity of local government that can be used in case of epidemics/pandemics of infectious diseases, organizational forms of local government in such a situation, the way of forming a crisis staff and its competencies.

III Phase - presentation of results refers to the implementation of solutions and testing of a defined model and crisis plan in the functioning of local government in case of a pandemic of infectious diseases that will enable effective crisis management and find a solution to local government in such a situation.

A checklist was constructed for specific research, which included the most important issues relevant to local self-governments in the area of AP Vojvodina. The structure of the checklist is designed to cover the key elements of the content of activities and preparedness of local self-government for the situation caused by the pandemic of infectious diseases. The study is expected to identify key elements, both legal and economic as well as practical, that pose a problem in the efficient functioning of local self-government in the context of an infectious disease epidemic/pandemic.

### **CRISIS MANAGEMENT AT THE LEVEL OF SELF-GOVERNMENT IN SITUATION CAUSED BY THE EPIDEMIC/PANDEMIC**

Observing all local governments in which the research was conducted, points to the conclusion that the situation is very similar in terms of work and functioning in the conditions of an emergency caused by a pandemic of infectious diseases. Having in mind the process of crisis management, because a pandemic is a form of crisis, indicates the complexity of this process and part of the confusion in such a situation. A special problem is the concept of misunderstanding risk assessment at the micro-level in the sense that poor assessments can affect the state of the wider region, the state, and especially the state of the economy. It should be emphasized that the response in a crisis or emergency is aimed at recovering and mitigating the harmful effects of the danger and providing adequate prediction of the development of events. The very process of reacting in a crisis and emergency is aimed at saving lives and property (Baas *et al.* 2008, 7). An important element in the process of crisis management at the level of local self-government is the identification of risks that may have more serious security consequences with a broader and transnational impact. This primarily refers to a pandemic of infectious diseases. Risks directly related to a pandemic of infectious diseases can be classified and characterized as systemic risks because their potential impact calls into question the integrity of entire systems - whether they are political, economic, social, technological, or environmental.

Such systemic risks are defined as “extreme uncertainty and the potential for extensive and possibly irreversible damage” (Habegger 2008, 16). They can arise from changes in the socio-economic or socio-political environment of institutions, whether in public policy or the corporate world, and systems can be damaged by individual catastrophic events or the cascading effect of a complex chain of events (Habegger 2008, 16).

As a result, crisis management, at any level, is an inherent aspect of risk management, is a significant challenge, and constantly calls into question the effectiveness of the measures taken to minimize the risks, and hence the crisis. This also applies to local governments. It is especially characteristic that at the level of local self-government there is no clear and well-organized system of functioning of local self-governments in such a situation. There are many unknowns and instructions from the ‘higher’ level that are always awaited, which restricts and limits the room for maneuver of local self-government in such situations. Of course, one should also keep in mind the expertise of the staff that manages the crisis and realistic estimates of the size of a certain epidemic/pandemic of an infectious disease. It should be emphasized, when it comes to local self-government and key elements of crisis management, that the consequences of inefficient work and decision-making in such a situation are reflected in the negative situation in other segments. Community preparation and functioning in crisis and emergencies, including local self-government, is an ongoing and complex process. This process should include a range of activities, including ongoing assessment and analysis of risks and threats; planning responses to emerging hazards; the timely and coordinated response of the social community, and organized elimination of negative consequences (Krsljanin and Karovic 2015, 143). This includes “coordination of forces and resources of the subjects of the disaster risk reduction system and management of emergencies to protect and rescue people” (Karovic, Radonicic, and Radovanovic 2015, 67). These elements are vital in the operation of local self-government and can serve as a guide. However, the basic problem at the level of local self-government and society as a whole is in a system that does not function in depth. There is no single and efficient management mechanism that ‘forces’ activities in-depth, which practically prevents an integrative approach to controlling the epidemic/pandemic of infectious diseases, and thus the crisis as a whole. In addition, the practice has shown that emergencies provide unique opportunities for corruption (Domazet 2018, 2). Finally, the approach to crisis and emergency management should be understood as an essential and integral part of responsible management in which risks and opportunities are assessed in a multitude of decisions. As Karović (2015) stressed: “Such dramatic events represent a serious challenge for holders of public office in local self-government (...) who are under great time pressure and in the absence of key information about the event itself and its consequences” (p. 84).

## **HARMONIZATION OF LEGAL REGULATIONS AND PRACTICAL PROTOCOLS DURING THE EPIDEMIC/PANDEMIC**

Regarding the legal regulations of the Republic of Serbia, respectively AP Vojvodina, the main regulation is the Law on Protection of the Population from Infectious Diseases (Official Gazette of the Republic of Serbia No. 15/2016, 68/2020 and 136/2020). Concerning local self-governments in the AP Vojvodina, the mentioned Law is certainly the most important in the fight against the epidemic/pandemic of infectious diseases, especially against Covid-19. The Law notes the existence of several novelties in terms of measures to protect the population from the epidemic of infectious diseases.

First, the coronavirus was introduced into the Law, and the category of contact was introduced as persons who are obliged, following article 13 to adhere to the prescribed measures and instructions determined by the competent epidemiologist. The novelties also refer to a closer definition of certain terms, such as unfavorable epidemiological situation, home isolation, self-isolation, quarantine, transportation, isolation, health surveillance, at home, and personal protection. Then, novelties are present regarding measures to protect the population from infectious diseases. Special measures related to transportation, isolation, home isolation and treatment, health surveillance, quarantine and quarantine at home, as well as personal protection against infection should be mentioned here.

Concerning home isolation, article 29a prescribes that it is a measure that requires treatment at home and restricts the freedom of movement of patients with infectious diseases, and in whom the presence of no symptoms or signs of infectious disease and persons suffering from infectious disease in whom the severity of the disease does not require treatment in a hospital setting, during the period of contagion. On the other hand, article 31a stipulates that quarantine at home is a measure that restricts freedom of movement and requires monitoring of the health status of healthy persons who have been or are suspected of being in contact with persons infected with a contagious disease if these persons are not determined by the quarantine measure referred to in article 31 of this Law. Article 33 further states that in the event of a contagious disease epidemic/pandemic, a recommended or necessary emergency immunization against that contagious disease for all persons may be determined, i.e. for certain categories of persons, if the risk of transmission of that contagious disease is determined.

We should also mention the possibility that the Government of the Republic of Serbia, following article 53 prohibits or restricts entry into the territory of Serbia to persons coming from countries with an unfavorable epidemiological situation, decides to open temporary facilities for accommodation, isolation, and treatment of infectious diseases, when the existing capacities of health institutions and facilities are not sufficient for isolation and treatment of persons suffering from infectious diseases,



decide on sending patients with infectious diseases for treatment abroad in case of filling all available capacities for isolation and treatment in the Republic of Serbia, form a crisis staff, etc.

Inspection supervision over the application of legal measures is performed by communal inspection in local self-government units following article 73, and communal militia control over the application of measures from article 46a is performed by communal militia in local self-government units where the communal militia service is formed. Moreover, when there are reasons of urgency due to the immediate endangerment of human life and health, i.e. in cases of non-compliance with the prescribed measures, inspection bodies, as well as communal police officers, may orally order measures and actions such as the measure to empty the facility. There was a violation of the prescribed measures, or to prohibit the performance of activities in the facility, i.e. the area in which the violation of the measure occurred until the competent authority takes the prescribed measures, for a maximum of 72 hours. The Law also tightens penalties for violating epidemiological measures, both for individuals and legal entities.

Regarding the local self-governments in the AP Vojvodina area that are the subject of the study, it should be noted that all local self-governments have faced serious difficulties as a result of the coronavirus pandemic. As a result, no municipal government was prepared to respond to the pandemic's urgency. As a result, cities, and municipalities have failed to properly comply with necessary legislation and regulations, the majority of which were passed during the pandemic. First and foremost, it was noted that local self-governments did not have sufficient legal procedures in place in the event of an infectious disease epidemic/pandemic, which was somewhat predicted given the world's surprise at Covid-19's implications. Furthermore, there are organizational and technical problems in response to the consequences of Covid-19. In this regard, the problem of professional staff in charge of emergencies should be especially emphasized. The direct cause is a lack of financial resources for training individuals who work in these occupations, and in certain towns, the immediate cause is a lack of understanding by immediate management. There was a shortage of protective equipment in some local governments in the early stages of the pandemic of infectious diseases, but this was later overcome. Some municipalities have had issues alerting citizens about ways to prevent the pandemic of infectious diseases, and some local governments have had issues with the shortage of equipment in health care facilities in their jurisdiction. Furthermore, there were issues in general with special measures of protection against infectious disease epidemics/pandemics, such as home isolation, quarantine at home, and personal protection against infection. In connection with these measures, numerous cases of violations of epidemiological measures have been recorded, not only by individuals but also by legal entities and entrepreneurs, mostly in the field of catering and tourism. Violations of epidemiological measures by citizens

have created a major problem in the adequate functioning and response of local governments to the crisis caused by the coronavirus. Even though the authorities have enforced a considerable number of fines, the results do not appear to be satisfactory. On this basis, it may be concluded that, in the face of an infectious disease outbreak, local governments have not fully complied with the Republic of Serbia's positive legal framework.

## THE CIRCUMSTANCES AND CONSEQUENCES FOR BUSINESS ENTITIES AT THE LEVEL OF LOCAL SELF-GOVERNMENT DURING THE PANDEMIC

The impact of emergencies on the business of economic entities is a topic on which very little attention is paid in the Republic of Serbia, in contrast to developed European countries (Domazet and Katic 2016, 240). The topic of protection of economic activities of Serbia in emergencies, regardless of many initiatives, is not sufficiently recognized as an interdisciplinary problem whose solution requires careful analysis and application of adequate measures in practice (Jovanovic *et al.* 2015, 579-582). In the Republic of Serbia, i.e. the AP Vojvodina, the scope of a partnership between the state and private capital owners is still low, but there are several positive examples, especially in emergencies, where this sector has played a significant humanitarian role (Domazet and Radovic 2016, 349). At the level of the AP Vojvodina, Provincial Secretariat for Economy and Tourism announced several public competitions for grants to economic entities for co-financing projects in tourism in APV in 2021 - procurement of machinery and equipment and introduction of technological innovations in the promotion and operation of touristic and catering facilities. In Table 1, we can see the answers to the set of subgroups of questions related to business entities in epidemic/pandemic crisis, collected from 16 local self-governments located in AP Vojvodina.

**Table 1: Endangering Business Entities as a Result of the Pandemic of Infectious Diseases (Source: Author's research).**

	Claims (sub-groups of conditions)	Yes	No
(1)	business entities based in the territory of local self-government are endangered by the pandemic of infectious diseases	18	1
(2)	the threat of business processes caused by the pandemic occurs in 3-4 years	4	15
(3)	the threat of business processes caused by the pandemic occurs in 4-6 years	5	14
(4)	there is a database of pandemic business losses	3	16
(5)	small and medium enterprises are also affected	16	3
(6)	communication between the competent local self-government services and the harmonization of their obligations and tasks are at a satisfactory level	17	2




(7)	there are not enough primary health care facilities	4	15
(8)	the existing equipment in the health institutions is in a satisfactory condition	14	5
(9)	there are not enough funds to replace obsolete equipment in health facilities	14	5
(10)	there is not a sufficiently developed awareness of the population about the needs of disease prevention and health care	14	5
(11)	the pandemic endangered the lives of the population	15	4
(12)	the pandemic endangered the health of the population	18	1
(13)	the pandemic endangered the activities of business entities (reduction of turnover, income, and profit)	12	7
(14)	the pandemic threatens the employment of the population	18	1
(15)	the pandemic threatens the functioning of the economic system	14	5
(16)	the pandemic threatens the infrastructure for electricity supply and telecommunications	2	17
(17)	there is a system of warnings and measures to protect the population in the event of an outbreak and spread of the epidemic	5	14
(18)	there is cooperation and exchange of information with neighboring countries	5	14
(19)	the duration of the emergency in the event of a pandemic is 1 to 2 weeks	5	14
(20)	the duration of the emergency in the event of a pandemic is 1 to 2 months	5	14

Conditions that are prominent in consequences caused by epidemic when we observe business entities which operates at the areas of 16 examined local self-government in AP Vojvodina are: business entities based in the territory of local self-government are endangered by an epidemic of infectious diseases; there is no database of epidemic business losses; small and medium enterprises are most affected, large business entities are medium affected; public enterprises are modestly affected; communication between the competent local self-government services and the harmonization of their obligations and tasks are at a satisfactory level; there is a sufficiently developed information infrastructure between the competent services; there are a sufficient number of primary, secondary and tertiary health care facilities in operation; the existing equipment in the health institutions is in a satisfactory condition; the epidemic endangered the health of the population; the epidemic threatens the employment of the population; the epidemic threatens the functioning of economic system.

The Decision (EU) 2019/420 of the European Parliament and the Council, states that training, research, and innovation are key aspects of cooperation in the field of civil protection. To enhance the efficiency and effectiveness of training and exercises in the field of civil protection, to promote innovation and dialogue, and to improve cooperation between national bodies and services of the Member States in charge of

civil protection, a Union Civil Protection Knowledge Network needs to be established. This network should build on existing structures, including centers of excellence, universities, researchers and other professionals, young professionals, and experienced volunteers in the field of emergency management. Additional cooperation with and training in international training, research, and innovation organizations should be strengthened, if possible, including third countries (Karovic and Domazet 2020, 67-68).

## CONCLUSION

Research on this topic, in principle, has not been conducted in the segment related to the epidemic of communicable diseases, and in particular, there are no scientific results from the sphere of functioning of local self-government in such a situation. Data are not systematized and should be collected and processed to serve in model formulation. The results of the research will contribute to the development of the functioning of local self-governments in various types of events in the functioning of emergencies. At the same time, the scientific fund in the field of security sciences and applied economics and the development of scientific research methodologies will be enriched. In practical terms, the problem of efficient functioning of local self-government in the conditions of an epidemic of infectious diseases is solved. Within the model, a local government crisis plan will be implemented, which is the basis for creating the model and checking its functioning. Also, the existing emergency response plans caused by the epidemic of infectious diseases need to be compared with the existing regulations, and the existing regulations should be strictly applied. Given the rather negative experiences related to the implementation of epidemiological measures, solutions should be sought in the tightening of penal policy. As far as the Autonomous Province of Vojvodina is concerned, in January 2021, the statistics show that the growth of industrial production is recorded by 2.2% year on year. The total value of foreign trade in January amounted to 970 million Euros, and exports amounted to €484.7 million, which is an increase of 3.2% compared to exports in January 2020. It is very important to determine the organization of industries, private sector operations in Vojvodina, as well as cooperation at the level of local self-government after the pandemic, the experiences of European regions and the real consequences of the Covid-19 pandemic, as well as initiating further sustainable measures to overcome negative economic and all other consequences for our economy and society. 

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# THE IMPACT OF CORPORATE GOVERNANCE AND ITS CONSEQUENCES ON PROTECTING THE BANK'S ASSETS: EMPIRICAL EVIDENCE FROM KOSOVO BANKS

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**Abstract:** *This study aims to analyze the relationships between corporate governance instruments on the wealth of financial intermediaries in wide-ranging. The data employed in this study are secondary data from nine (9) commercial banks and covered the years 2013-2020. The approach used in data processing is a 2SLS estimation and multilevel mixed-effects for the dependent variable natural logarithm of total assets. The results provided by the econometric analysis show that board size, sovereign committees, Net Interest Margin (NIM), Non-Performing Loans (NPL's), and equity to liabilities have an important impact on the protection of the assets of financial institutions. While surprising results have been generated in the composition of the board structure in terms of gender diversity, they have turned out to be insignificant. The originality and value of this study lie in the approach of including the characteristics of the board, as well as the combination of some financial indicators different from previous studies, which makes more comprehensive the study of the impact of board composition on increasing the wealth of banks.*

**Keywords:** *Banks; Financial Ratios; Corporate Governance; 2SLS; ML Regression*

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## INTRODUCTION

A large number of businesses around the world at the beginning of the XXI century have encountered difficulties and are on the threshold of collapse, as a result of rapid change and the impact of the Covid-19 pandemic. Finally, it has been observed that inadequate application of corporate governance is considered a crucial factor of failure. However, in many studies, it has been reported that the non-implementation of corporate governance mechanisms has affected not only non-financial businesses but

also financial ones, respectively banks. Given that financial institutions, particularly banks, have a significant impact on intermediation between different stakeholders, which has a direct impact on economic growth. Caprio and Levine (2002) have found that the economic growth of some countries is supported by the banking industry because it helps with finance businesses. However, when we are discussing between two stakeholders, businesses on the one hand and the financial industry on the other, there are arguments and counter-arguments regarding asymmetry information. To eliminate this concern, many studies have been conducted on information asymmetry, which directly affects the components of corporate governance. Therefore, Craig *et al.* (2007) documented that the importance of corporate governance initially attracted the attention of the US authorities due to accounting scandals in firms Enron and WorldCom, etc., further arguing that the weak corporate governance system creates gaps for conflict of interest concerning the evaluation process.

Unfortunately, the banking industry's complexity is now visible in terms of reducing disproportionate evidence, but thankfully, there are accessible tools that can be utilized to enhance the proper flow of evidence and the quality of fiscal reporting Durguti and Arifi (2021). In this light, Basel Committee on Bank Supervision (BCBS) recommends that the structure of the board is a key aspect of a bank's efforts to promote transparency, responsibility, and effective supervisory reform in the context of an article entitled 'Enhancing Corporate Governance for Banking Organizations'. Grounded on the guiding principle of corporate governance (CG) for banks, addressing CG compliance in Kosovo, the Central Bank of Kosovo (CBK), as the single supervisory agency of the monetary sector, has enforced a tight application of this benchmark, which was reviewed in August 2019 (CBK 2019). The mission of this regulation is to strengthen the regulatory outline linked with good CG practices for banks licensed in Kosovo, as an integral component in preserving the banking sector's overall sustainability and stability. Secondly, the regulation establishes the minimum standards for the bank's owners, board of executives, and CEOs in light of their commitments to CG practices.

Therefore, to conduct this research we have used the panel data for 9 banks that operate in the Kosovo market. Explicitly, in this research we have posed three research questions:

**RQ1:** To observe and evaluate whether commercial banks in Kosovo follow the practices of CG, as defined by the regulator.

**RQ2:** To observe the impact of CG as a determinant in establishing as well as maintaining financial steadiness in the sample of selected banks.

**RQ3:** To observe the consequences in the case of non-implementation of CG in the sample of selected banks.

The contribution of the study is expected to be in several aspects. First, in advancing and raising the debate among scholars about corporate governance mechanisms. Second, the application of the dynamic approach through the 2SLS method and multilevel mixed-effects regression, to eliminate the dilemmas between the studies conducted, and third, in terms of policy-making implications. So, premised on this perspective, the authors regarding the selection of variables in the framework of this research, using panel data and approaches to econometric estimates are based on two studies performed by Benvenuto *et al.* (2021) and Durguti and Kryeziu (2021) where they have analyzed the influence of CG and some financial indicators in Romania and Italy, respectively the case of Kosovo to investigate the possible consequences in profitability and shareholders' value protection. The approaches used in these two cases are VAR techniques, OLS, and 2SLS estimation. In addition, the econometric literature for panel data studies when  $N > T$ , and because the data are endogenous, the 2SLS approach is preferred, and for this reason, our study applies 2SLS estimation on one side, and multilevel mixed regression effects, on the other hand, to analyze if we have any significant differences between the approaches applied.

## LITERATURE REVIEW AND HYPOTHESIS

Several academic and empirical studies have been devoted to the impact of CG components on the capital structure of a company. Conferring to the literature, the main components of CG recognized to affect funding decisions are the following: board size, board independence, executive compensation, and executive entrenchment. Nevertheless, the results are varied and questionable.

Corporate governance reconciliation studies offer a wide range of qualitative and quantitative analyzes that reveal the degree, scope, and levels of compliance (Seidl 2013; Shrivvers and Niamh 2015; and Okhmatovskiy 2017), in addition to its importance to the bank's performance and value (Stiglbauer and Velte 2014; Rose 2016; Roy and Pay 2017). Besides this, the most recent study in the field of CG, performed by Benvenuto *et al.* (2021), analyzes the influence of CG in Romania and Italy, using financial indicators also CG components in productivity and shareholder value protection turns out to be significant in both cases. This study's sample included 34 Romanian banks as well as over 350 Italian banks that used the dynamic VAR techniques, which were integrated at various levels. And the latest review, performed by Durguti and Kryeziu (2021), examined the influence of corporate governance and its impact on bank profitability in Kosovo from 2013 to 2020. According to the conclusions of this study, which used OLS regression and 2SLS evaluation, corporate governance has a statistically significant influence on bank profitability.

Theoretically, revisions are based on the hypothesis that banks with poor CG should have inferior ratings compared to banks with effective CG, as stakeholders do



not tolerate a higher risk of expropriation without receiving a premium for such investments Gombpers *et al.* (2003), and Zimmermann *et al.* (2006).

A confident association between quality of governance and performance has been observed in European studies (Drobetz *et al.* 2003; Gombpers *et al.* 2003; Zimmermann *et al.* 2006; Renders *et al.* 2010; Bistrowa and Lace 2012), the Japanese banking industry and economy have been studied by Hiroyuki and Nguyen (2007), and Bhagat *et al.* (2008). Garcia *et al.* (2021) assessed the effects of board structure on default risk for European banks, such as the composition of the board, sovereign commissions, representation of women on boards, and earnings quality. The Generalized Method of Moments (GMM) dynamic approach was used to conduct an empirical investigation. The study's findings indicate that the components chosen for the study have a significant impact.

As distinguished earlier, various opinions regarding board size dominate Berger *et al.* (1997) argued that firms with large board numbers have low debt. This fact, they argue that the size of the board can raise pressure on management to decrease the level of debt, and to increase the productivity of the firm. However, Seidl *et al.* (2013) have contested the findings, arguing that there is a consistent connection between CG components and capital structure. Moreover, Bezawada and Adavelli (2020) argue that the size of the board appears to have a strong confident impact on the bank's performance and assets, utilizing a sample of 34 banks from 2009 to 2018 employing the OLS approach. The findings regarding the size of the board are contradictory among different revisions and so far, we do not have any common consensus. Therefore, in this study we have hypothesized:

**H1:** There is a significant positive association between board size and bank assets.

Additionally, about the configuration of the board composition in terms of gender, studies are smaller in number, but the prevailing opinion is that a board that has a mixed structure of females and males, has a predisposition to be more effective (AlHares and Ntim 2017). Consequently, some recent studies on governing boards in terms of gender were conducted, and all conclusions show that mixed boards in terms of gender inspire additional efficiency to the team. These conclusions are supported by a current study from Wahid (2019); Almudena *et al.* (2018); and Kamalnath (2018). Furthermore, based on previously contradictory findings, Owen and Temesvary (2018) claim that there is a non-linear connection among gender diversity on boards and bank performance, using instrumental variables statistics from over 90 US banks from 1999 to 2015. Likewise, they advocate that to have a confident impact, the gender diversity threshold should be reached otherwise, it may have no consequence. Based on this outcome and an assessment performed by Durguti and Kryeziu (2021), they concluded that gender diversity in the case of Kosovo's banking system had an irrelevant effect on

performance and bank value. Therefore, our hypotheses regarding diversity in terms of gender are:

**H2:** There is an insignificant association between female gender and bank assets.

Besides that, in a survey performed by Simionescu *et al.* (2021) on the consequences of board gender diversity on businesses performance, using a sample of 500 companies from the tech industry, the consequences conferring to OLS produce a positive consequence, but conferring to a random and fixed effect on the ROA, the result is non-significant in businesses performance. Therefore, based on this argument our hypothesis is:

**H3:** There is an insignificant association between male gender and bank assets.

And the last component but not of importance is the variable-specific commissions created by investors, as a result of the request of supervisory bodies, which in the scientific research are known as sovereign boards. Numerous revisions have confirmed the effectiveness of the independence of these boards in controlling management and protecting the assets of investors, Seidl *et al.* (2013) documented a negative association between sovereign boards and the asset structure of companies. Al-moneef and Samontaray (2019) reached the same conclusions after analyzing the components of CG and the productivity in the Saudi banking system, arguing empirically that board independence harms the bank's productivity, correspondingly in ROE. Therefore, our hypothesis presented is:

**H4:** There is a significant positive association between sovereign boards and banks' assets.

The study also applied some of the core financial factors to measuring the strength of financial sustainability. These indicators are presented as control variables to investigate their effect on the assets of the firm, respectively the banks. For these control variables, no hypothesis will be presented, as the emphasis is oriented on the components of corporate governance and their impact on increasing the value of the firm, respectively the bank.

## ECONOMETRIC ANALYSIS

### *Data and Sample*

The sample contained within the analysis consists of 9 commercial banks licensed by the Central Bank of Kosovo, out of a total of 11 banks operating in Kosovo. Kosovo's banking sector is a relatively new sector, dominated by over 86.5<sup>1</sup> percent of banks with foreign capital. In this study, panel data were used, including the period 2013-2020, and this data was provided by audit reports for each bank in particular, and then processed to suit the research. Based on previous studies conducted by different authors, different techniques have been used to come to the most accurate conclusions.

Therefore, our study includes an adequate combination of factors including corporate governance parameters and key financial indicators. Various authors have applied different models to test the impact of CG parameters on productivity and shareholder protection. The models that are most suitable for this study are the GMM estimator, respectively 2SLS as this method calculates the endogeneity of the data and the robustness of the instruments to achieve the assessment of interdependence among the parameters of CG and protection of shareholder value. Hence, based on the reasons presented above, the research's main purpose is to examine the issues of CG and the implications of their non-implementation for the protection of the bank's value. Corporate governance systems are being developed to maintain strong public confidence in the banking industry Fernandez et al (2020). Based on this premise, an empirical method to variable selection and model application was developed based on research done by Fernandez *et al.* (2020) and Durguti and Kryeziu (2021).

### *Variables*

The dependent variable in this study is total assets (natural logarithm of total assets), this variable within the research displays the number of assets expressed in millions for a certain fiscal year. According to Christaria and Kurnia (2016), assets are resources managed by the bank from which the bank assumes to generate benefits in the future through the placement of free financial assets such as loans, investments in financial instruments. This variable is computed using the log transformation of total assets and represented using the formula.

$$\ln_{(x)} = \log_e(x) = Y$$

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<sup>1</sup>Central Bank of Kosovo: Financial System monthly information for December 2020.

The study aims to realize the predicted outcomes, first and foremost on the research questions posed and subsequently on the verification of the hypotheses, through the independent and control variables. Independent variables are defined components of corporate governance (board size, composition structure male, composition structure female, and subcommittees). The control variables, on the other hand, are net interest margin, non-performing loans, and equity-to-liabilities.

It is worth noting that the governing structures of the regulatory authority have released regulations on the establishment of committees, which are an integral part of the CG component, according to the requirements of the Basel Committee.

The early finding of the study is that the financial intermediaries in Kosovo are implementing with precision and high efficiency, the component of CG that derive as an obligation set by the Central Bank of Kosovo, as well as the regulatory set of the Basel Committee. CG practices have undoubtedly influenced the behavior and experience of banks from European Union countries on the one side, as well as the already highly professional local personnel on the other. It is also worth mentioning that Kosovo's banking system functioned successfully at the time and during the Covid-19 pandemic, supporting households, SMEs, and large businesses in general. Table 1 gives us a detailed description of the factors applied in this study, starting with the number of observations, the lowest, largest, mean, and standard deviation.

**Table 1: Variable and Statistics Description (Source: Authors' calculation)**

Variables	Description	Obs.	Mean	St.dv.	Min.	Max.
<b>Dependent Variable</b>						
<b><math>L_{\text{assets}}</math></b>	Natural Logarithm of Total Assets	72	6.515	1.385	5.029	9.479
<b>Control Variables</b>						
<b>NIM</b>	Net Interest Margin	72	0.041	0.014	0.001	0.077
<b>NPL's</b>	Non-Performing Loans	72	0.057	0.042	0.015	0.244
<b>ELR</b>	Equity to Liabilities Ratio	72	0.158	0.171	0.076	1.566
<b>Independent Variables</b>						
<b>BS</b>	Board Size	72	0.803	0.135	0.698	1.041
<b>CSM</b>	Composition Structure Male	72	0.687	0.142	0.477	0.903
<b>CSF</b>	Composition Structure Female	72	0.225	0.203	0.000	0.477
<b>SBC</b>	Subcommittees (Independent Committees)	72	0.642	0.178	0.000	1.041

Conferring to the description numbers presented in Table 1, especially in the control parameters, the mean value of assets of these banks in the investigation is 6.52 billion, with a mean value of 4.1 percent of NIM and a mean value of 5.7 percent NPL's. Whereas the statistics on CG from the explanatory table will be discussed more explicitly in the empirical section, the facts in Table 1 are presented with  $\ln_{(x)}$  to convert them into

coefficients and eliminate potential problems that could be presented in the econometric examination on the endogeneity of the data.

The data used are panel data, and this data as such before applying the econometric model is preferable to do some preliminary diagnostic tests on the suitability of the 2SLS estimation as well as multilevel mixed-effects regression. One such preliminary test is multicollinearity, known as the correlation matrix. We have applied this test to evaluate the degree of interrelationship between variables.

**Table 2: Correlation Analysis (Source: Authors' calculation)**

	<i>L<sub>assets</sub></i>	NIM	NPL's	ELR	BS	CSM	CSF	SBC
<i>L<sub>assets</sub></i>	1.000							
NIM	-0.064	1.000						
NPL's	0.280	-0.039	1.000					
ELR	0.110	-0.334	-0.065	1.000				
BS	0.059	-0.239	0.099	0.296	1.000			
CSM	0.426	-0.253	0.151	0.200	0.397	1.000		
CSF	0.240	-0.097	-0.006	0.267	0.718	0.190	1.000	
SBC	-0.117	0.003	-0.382	0.188	0.283	0.021	0.416	1.000

Furthermore, the outcomes from the correlation analysis exposed in Table 2 shows that the factors correlate them, and it is noted that the problem with multicollinearity does not exist as only some of the factors have a moderate association among themselves. The natural logarithm assets are seen to have positive associations with NPL's, equity to liabilities, BS, CSM, and CSF, while adverse associations exist between net interest margin and SBC. Other correlations are presented in Table 2.

### *Empirical Model*

The empirical approach must be carefully selected to design and employ an empirical model to examine the influence of CG parameters and some financial indicators on protecting banks' value. In this research, we use two of the most preferred approaches, which are considered to be the most appropriate to explore the impact of CG, NIM, NPL's and equity-to-liabilities on maintaining bank value. As a result, we will provide the equations for the two techniques, 2SLS and multilevel mixed-effect, in the following sections, beginning with the generic equation and then modifying our actual analysis. Our first specification uses 2SLS as a more adequate estimate when we are researching with condition  $N > T$ . In addition to the independent variables of CG, we as well use control variables to assess their consequences in protecting the value of banks.

Therefore, in the following, we will present the general equation of 2SLS.

$$Y_{it} = \sum_{j=1}^p \alpha_j Y_{i,t-j} + X_{it} \beta_1 + \vartheta_i + \varepsilon_{it} \dots \dots \dots (1)$$

In addition, because of the equations presented beyond, we will present the concrete equation for our research.

$$LAssests_{i,t} = \alpha + \mu(NIM)_{i,t} + \beta_1(NPL's_{i,t}) + \beta_2(ELR_{i,t}) + \beta_3(BS_{i,t}) + \beta_4(CSM_{i,t}) + \beta_5(CSF_{i,t}) + \beta_6(SBC_{i,t}) + \vartheta_i + \varepsilon_{it} \dots \dots \dots (2)$$

Mixed-effects models are distinguished by the presence of both fixed and random effects. The fixed effects are explicitly computed and are equivalent to ordinary regression coefficients. Random effects are presented based on their predicted variances and covariances rather than explicitly assessed (though they can be obtained after testing). Random effects can be random sampling or random coefficients, and the data clustering structure can include multiple levels of interconnected groups. As a result, mixed-effect models are also known as multilevel models and hierarchical models in the literature. The formulas of multilevel mixed-effect regression are:

$$Y_{it} = X\beta_{i,t} + Z\gamma_{i,t} + \varepsilon_{i,t} \dots \dots \dots (3)$$

$$X = \begin{bmatrix} 1 & \Delta_t & \Delta_{t+} \\ \vdots & \vdots & \vdots \\ 1 & \Delta_{tn} & \Delta_{t+,n} \end{bmatrix} \dots \dots \dots (4)$$

$$\beta' = [\beta_0 \beta_1 \beta_2 \dots \beta_{t+,n}] \dots \dots \dots (5)$$

Our specific scenario's formula is derived from this formula, and it looks like this:

$$LAssests_{i,t} = \alpha + \beta_1(NIM_{i,t}) + \gamma_2(NIM_{i,t}) + \beta_3(NPL's_{i,t}) + \gamma_4(NPL's_{i,t}) + \beta_5(ELR_{i,t}) + \gamma_6(ELR_{i,t}) + \beta_7(SB_{i,t}) + \gamma_8(SB_{i,t}) + \beta_9(CSM_{i,t}) + \gamma_{10}(CSM_{i,t}) + \beta_{11}(CSF_{i,t}) + \gamma_{12}(CSF_{i,t}) + \beta_{13}(SBC_{i,t}) + \gamma_{14}(SBC_{15}) + \varepsilon_{it} \dots \dots \dots (6)$$

### *Econometric Findings*

Empirical analysis requires flow logic before commenting on the results, applying some diagnostic tests on the appropriateness of the applied approach. Therefore, the diagnostics of the approach was initially done through  $R^2$ , wherein our case is 63.7 percent of the independent variables explain the dependent variables, also for

multicollinearity testing was applied VIF, where the mean value of the variables is 9.62 which proves that the data do not have multicollinearity problem.

Furthermore, in terms of heteroskedasticity, our test proves that the applied data do not have such problems, and finally, the Wald chi (2) for the endogeneity and constancy of the instruments proves that the applied approach is adequate since its value is 126.66. Indeed the results of the second model ML, based on the model's fitness, Wald chi (2) test is with coefficient 112.59, as well as p-value [0.000], proving that the model is suitable and the results are credible.

**Table 3: Parameter Estimates (Source: Authors' calculation)**

Description	2SLS Regression		ML Regression	
	Coefficients	P> z	Coefficients	P> z
<b>_cons</b>	5.502	0.000	6.512	0.000
<b>NIM</b>	-59.595	0.000	-58.105	0.000
<b>NPL's</b>	4.994	0.003	5.094	0.068
<b>ELR</b>	-1.405	0.027	-1.403	0.037
<b>BS</b>	8.192	0.011	11.092	0.066
<b>CSM</b>	-3.028	0.283	-4.023	0.311
<b>CSF</b>	-1.532	0.366	-1.332	0.394
<b>SBC</b>	-1.176	0.004	-1.266	0.007
<b>R<sup>2</sup></b>	0.6376	0.000	-"-	-"-
<b>Wald chi2</b>	126.66	0.000	112.59	0.000
<b><math>\chi^2</math> Heteroscedascity</b>	13.32	0.213	-"-	-"-
<b>VIF</b>	9.62	-"-	-"-	-"-
<b>Observation</b>	72	-"-	72	-"-

*Note: ML Regression- multilevel mixed-effects regression. The empirical facts provided by the multilevel mixed-effect regression are closely similar to the 2SLS outcomes, with a slight variation in constant and consequence levels. It is important to note that we do not have results in which one model exhibits a level of negative/positive significance while the other model exhibits a level of positive/negative or does not offer an important result at all.*

The data observed during the research proved to be quite significant, providing specific justification for the research questions as well as verification of the hypotheses stated. According to the empirical evidence, the implementation of corporate governance components has consequences in protecting the assets and value of banks. As a consequence, based on empirical evidence, it is possible to infer that all commercial banks are applying the components of corporate governance defined by the regulatory body, namely the Central Bank of Kosovo. The highest number of board sizes among banks operating in Kosovo is 11, with the least number being 5. One characteristic that should be regarded concerning is the participation of gender diversity, specifically



female, in the composition of these boards, as empirical evidence indicates that only three of the nine banks evaluated in the composition of the board also have a female structure. The study used the significance of 1, 5, and 10 percent to test the parameter confirmation.

Findings results argue that financial features influence the protection of banks' assets, and what is considered crucial is that the two components of corporate governance board size and independent committees have resulted in the confirmation of hypotheses that they have an impact on preserving and increasing the value of banks according to both models. The results on gender diversity have shown insignificant results that are expectedly based on the hypotheses presented. The initial outcomes on financial indicators show that adequate management of credit risk management, respectively nonperforming loans, directly affects the increase of net interest margin, and an increase in net interest margin affects the increase of the bank's productivity. On the other hand, inadequate management of liquid assets affects the reduction of banks' assets, which is also found in our confirmed hypothesis where  $p=0.027$  according to the 2SLS, and  $p=0.037$  according to the multilevel regression.

Board size as the most vital component of CG is confirmed at the significance level of 1 percent based on both applied models. And this gives us indications that the proper functioning of the board of directors has a positive impact on the preservation of bank assets. These results are in the spirit of revisions steered by Chen *et al.* (2008) arguing that an optimal equilibrium of board of directors and their monitoring activities should provide a higher value for stockholders. García and Herrero (2018) concluded the same result after reviewing the structure of boards of directors and their influence on a firm's performance and preserving overall firm assets. Their research consists of three major issues, beginning with the reform developed in CG, the board size, and board independence and diversity, with the overall conclusion that appropriate board size has a positive effect on the firm's performance and preservation. The latest investigation conducted by Durguti and Kryeziu (2021) strongly supports the findings argued by Chen *et al.* (2008), and García and Herrero (2018), as the composition of the board of directors which does not exceed the number more than 11, have a positive impact on the productivity of banks as well as on maintaining and increasing the value of banks.

Otherwise, any overload of board size composition will be ineffective, due to diversity, creating informal groups that have negative consequences.

While the other equally important component is the independent committees where it has turned out to hurt maintaining the bank's assets at the level of 1 percent significance based on both applied models. This argues that their lack of establishment and adequate functioning reduces the wealth of financial institutions. This finding is in line with many studies conducted by Romano *et al.* (2012), and Dalton and Dalton (2005).



Finally, not because of their importance in this study NIM, NPL's and ERL, as in the 2SLS evaluation also in the ML evaluation have shown a significant consequence of 99 percent, which are directly a reflection of the running of CG in coordination with other levels of supervision within financial organizations, respectively banks.

## LIMITATIONS OF THE STUDY

This research, however, also has limitations in the presentation of the sample, as our sample includes 72 observations in the data panel, focusing mainly on banks that have time series from 2013 and at least until 2020, as well as these data to be audited by professional associations and companies. In this aspect, within this sample, two commercial banks were excluded which did not meet the criteria to be treated in the analysis in order not to distort the econometric findings. Therefore, the results of the research as such may not differ from the real situation but can be seen as a guide for the stakeholders participating in such investigations or their expansion. Moreover, when dealing with data that have endogenous characteristics, the empirical technique developed in this study is seen as the most appropriate. The only limitation of the 2SLS and ML mixed-effect models is that normal distributions are required for all unobserved predicted components. In many studies, normal distributions when exceeding the number of observations above 50 within the data panel do not pose any problem in terms of empirical results in the estimated coefficients.

## CONCLUSION

This study examined the association of corporate governance, some of the crucial financial indicators (NIM, NPL's, ELR, log board size, log male composition, log female composition, and log subcommittees), and the protection of shareholders value. Surprisingly, not such an investigation has been made to analyze the impact of corporate governance on efficiency. Moreover, in Kosovo, among 11 licensed banks by the Central Bank of Kosovo, nine banks show productivity, and what are the reasons behind the results are still unexplored. Therefore, research aiming to explore the reason behind such limitations of the banking sector carries huge significance. Such research needs to shape the aim of this research that attempts to examine the determinants of a bank's efficiency by giving special heed to ownership structures and board diversification. In the framework of this research, panel data for banks in Kosovo were used, applying a dynamic approach through instrumental regression analysis, respectively 2SLS and multilevel mixed-effect regression. The conclusions reached under this approach argue that the corporate governance components at the significance level of 1 percent confirm the hypotheses that the board of directors and independent committees are considered the main protectors of shareholder capital, and the bank as

a whole. Moreover, in Kosovo, the maximum number of board sizes reached 11, while the smallest number is 5. This number is considered an optimal size to govern professionally and without any other complications.

Another significant finding in this study is that the regulatory body, namely the CBK, has approved the directives derived as an obligation from the European Central Bank and the Basel Committee. As a result, the financial industry is required to establish CG bodies and strictly enforce the laws' directives. According to the study, all banks operating in Kosovo have met all of the requirements for the application of sound CG principles. Finally, we must emphasize that this research is of particular importance in the field of corporate governance as a whole, but a crucial significance for financial institutions in Kosovo. In future studies, to further enrich the sustainability and importance of corporate governance; it is suggested to apply other more specific corporate governance variables to analyze in more detail the effect of corporate governance components to protect shareholder value and the bank as a whole. 🌐

## COMPLIANCE WITH ETHICAL STANDARDS

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# THE CHALLENGING FACTORS AFFECTING WOMEN ENTREPRENEURIAL ACTIVITIES

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**Abstract:** *The purpose of this study is to investigate the factors such as access to finance, legal constraints, and entrepreneurial skill on women's participation in business activities. The mediating effects of self-leadership were also established as an influence on women's participation in business activities. Moreover, the study examined the moderating effect of education among self-leadership and participation of women in entrepreneurial activities. The study selected a quantitative method and structured questionnaire for the data collection. The study found a significant relationship of the effect of access to finance, legal constraints, and entrepreneurial skill with women's participation in entrepreneurial activities. Moreover, the study found a significant mediating effect of self-leadership between factors and women's participation in entrepreneurial activities as well as a significant moderating effect of education between self-leadership and participation of women in entrepreneurial activities. The study suggests that the government and other institutions should take the initiative in women's entrepreneurship that affects women's self-leadership skills. The policymakers should pay attention to the financial concerns of women in business activities.*

**Keywords:** *Entrepreneurial Skills; Financial Access; Legal Structure; Women Entrepreneurial Activities; Self-Leadership; Education*

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## INTRODUCTION

Currently, it is recognized that women's entrepreneurship is a significant pointer for world economic development. Females business visionaries assume a critical part in providing occupations, capital, poverty decrease, human development, schooling, wellbeing, and country's improvement particularly in non-industrial countries (Neumeyer *et al.* 2019). This study uniquely contributes to the knowledge in women entrepreneurship and the rapid economic development of Pakistan (Sajjad *et al.* 2020). Entrepreneurship development depends on some internal and external environmental factors in society, and these factors are included social, cultural, religious, and psychological. This study helps to understand the challenges that are enormous hurdles for women entrepreneurs and have a significant effect on economic growth (Khan *et al.* 2020).

Mostly, in Pakistan, institutions have malicious behavior with women to give loans for business due to male-dominated culture (Zafar and Mustafa 2018). In this case, the effort of the government positively contributes to the intention of the small and medium enterprises (Rawashdeh and Al-namlah 2017). Moreover, the legal limit is a hurdle for women entrepreneurs, especially, in Pakistan, its effect of making a hurdle to women in gaining strength in business by a male-dominated society. The majority suggested the need to make such an environmental system where women couldn't face their rights violence. The study indicated that constitutions are required to protect women employees in Pakistan (Zafar and Mustafa 2018).

Another hurdle of lack of entrepreneurial skill for traditional women professions show helpless opportunities for training and advancement, and with females still operated prevalently on low stages and got lower salaries than men (Tlaiss 2015). In Pakistan, this issue is also rising among the women entrepreneurs in disappointment toward business (Roomi 2009). Therefore, women don't have the confidence to run their businesses. As a progression, once women have an executive role, other women are raised by their leadership role (Yenilmez 2018). In the leadership role, the mediating effect of self-leadership is not explored in women and men entrepreneurs (Ho and Nesbit 2018). Further, the self-leadership practices also required awareness, knowledge, and support of education level to start their business (Khalid *et al.* 2020; Zhang *et al.* 2021). Furthermost researchers indicated that entrepreneurs would need the support of education in entrepreneurial inclination (Berrill *et al.* 2020; Shah *et al.* 2020; Shahverdi *et al.* 2018). This gap's outcomes demonstrate that women have a focal point in many studies due to the need for motivation to face hurdles in women's entrepreneurship (Manzoor 2015).

The objective of this study is to examine the factors that influence women's business involvement, especially access to finance, legal constraints, and entrepreneurial skills. Therefore, these factors have a positive impact on women entrepreneurs to



develop their businesses. The mediating analysis of self-leadership also examined the challenging factors and participation of women in entrepreneurship. Moreover, the study is also examined the moderating effect of education between self-leadership and participation of women in entrepreneurship. Further, these factors positively affect the women entrepreneurs who have self-leading abilities toward running the businesses. They can enhance their decision-making power in management to accomplish their objectives.

## LITERATURE REVIEW

### *Participation of Women in Entrepreneurship*

Based on the universal evaluation, the gender gap orientation seems unassuming, yet a careful understanding of country-level data shows gender gap distinctions, particularly over the world. Therefore, the high rate of female entrepreneurs in the Caribbean and Latin America, Eastern and Western Europe, Republic of Korea and France, Panama, Venezuela, Jamaica, Switzerland, Singapore, Thailand, Brazil, and Guatemala, the few women and men involved with starting a business is the equivalent. At present, just a single economy of Ghana contains a larger number of females than male entrepreneurs, where women represent 55 percent of pioneering activity (Chowdhury *et al.* 2015; Vossenbergh 2013).

Moreover, the Middle East and North Africa contain a low number of female business visionaries. Iran and Pakistan have the lowest rate of female entrepreneurs compared to other countries (Bosma *et al.* 2012). Comparatively, only 10% of women entrepreneurship is contributing in South Asia especially in Pakistan (Sinhala 2005). Different elements are presented that can impact the social structures and practices that limit women entrepreneurs due to cultural values and social practices in developed and developing countries (Linfang *et al.* 2021; Tambunan 2009).

### *Challenging Factors for Women Entrepreneurs*

The study viewed that women's activities are excessively found to experience weak financial resources. Thus, they contend the complicated issues in institutional sectors and stay underachievement in the long term (Jamali 2010; Roomi 2009). In contrast, Pakistan's situation has been viewed that finance is a real challenging factor in assessing the institution's malicious behavior to obtain a loan (Goheer 2003). Therefore, banking institutions and other consulting experts must be helpful for women entrepreneurs. Mostly, institutions don't give women enterprises attention and consider they don't have a positive image in development (Raza *et al.* 2019). Hence:

**H1:** There is a significant relationship between access to finance and the participation of women in entrepreneurial activities.

Women entrepreneurs face additional limitations as gender discrimination and cultural values are connected in the legal environment, strategy, and supportive institutional systems (Tlaiss 2015). In a developing country, Pakistan has a discriminator concept and needs to adapt to change to avoid the demotivation towards women entrepreneurship. Moreover, legislative institutions need to focus on legal issues and develop their strategies to understand the lawful activities in business (Afza *et al.* 2010). Hence:

**H2:** There is a significant relation between legal constraints and the participation of women in entrepreneurial activities.

Moreover, in developing countries, decision-making identifies with training if adequate training provision and entrepreneurial skills result in logical decision-making in business (Galvão *et al.* 2020). In Pakistan, this issue is also raising among the women entrepreneurs in disappointment toward business. Despite this, most of the women population is illiterate because the government failed to introduce Pakistan's educational improvements (Afza *et al.* 2010). Hence:

**H3:** There is a significant relationship between entrepreneurial skills and the participation of women in entrepreneurial activities.

### *Mediating Effect of Self-Leadership*

In a leadership concept, the other one is self-leadership that defines the goals and enhances the ability to achieve their organizational resources (Shatzer *et al.* 2014). Moreover, self-leadership includes the behavioral strategies that significantly affect self-efficacy (Walumbwa *et al.* 2011). Recent studies examined the self-concept in the gender that considerate the self-understanding and into generalization socially. Therefore, women have more determinants in self-concept than men. Men have a determinant in performer compared to women (Ho and Nesbit 2018). Moreover, gender diversity leads to empowerment in women to enhance the business. It leads to more supported development in enterprises and generating economy. Ultimately, women in leadership positions pursue other women's self-leading abilities in entrepreneurial activities (Yenilmez 2018). The investigation in self-leadership strategies women and men increases self-lead behavior in enterprises' development. Moreover, the mediating effect of self-leadership needs to explore with men and women entrepreneurs (Ho and Nesbit 2014). Therefore, the study has the following propositions:

**H4:** There is a significant relation between self-leadership and the participation of women in entrepreneurial activities.

**H5:** There is a significant mediating effect of self-leadership between access to finance and the participation of women in entrepreneurial activities.

**H6:** There is a significant mediating effect of self-leadership between legal constraints and the participation of women in entrepreneurial activities.

**H7:** There is a significant mediating effect of self-leadership between Entrepreneurial skills and the participation of women in entrepreneurial activities.

### *Moderating Effect of Education*

Additionally, Tukamushaba *et al.* (2011) stated that lack of resources and self-confidence are potential difficulties for entrepreneurial participation. Further, self-leadership practices are also required to increase self-confidence and it is possible just because of education which leads to starting the business (Khalid *et al.* 2020).

Furthermost researchers indicated that entrepreneurs would need the support of education in entrepreneurial inclination (Berrill *et al.* 2020; Shah *et al.* 2020; Shahverdi *et al.* 2018). Thus, based on the above discussion the study has the following hypothesis:

**H8:** There is a significant moderating effect of education between self-leadership and the participation of women in entrepreneurial activities.

### *Stimulus-Organism-Response Model*

According to Stimulus-Organism-Response (SOR) proposed that environment is a stimulus that contains the set of signs in creating the cause of self-evaluation of someone and creating a response (Russell and Mehrabian 1974).

The SOR model suggests that intentional and unconscious observations and environmental understandings affect what someone feels (Lian 2021; Song *et al.* 2021). Moreover, Chang *et al.* claimed that (SOR) is one of the suitable models to explain the behaviors, and considering the environmental qualities provides insights in exploring the experiences. In support of this claim, this study used the SOR model to investigate the environmental factors (access to finance, legal constraints, entrepreneurial skill, and education) which influence the emotional states and dominance such as self-leadership these two factors ultimately respond in behavioral process.

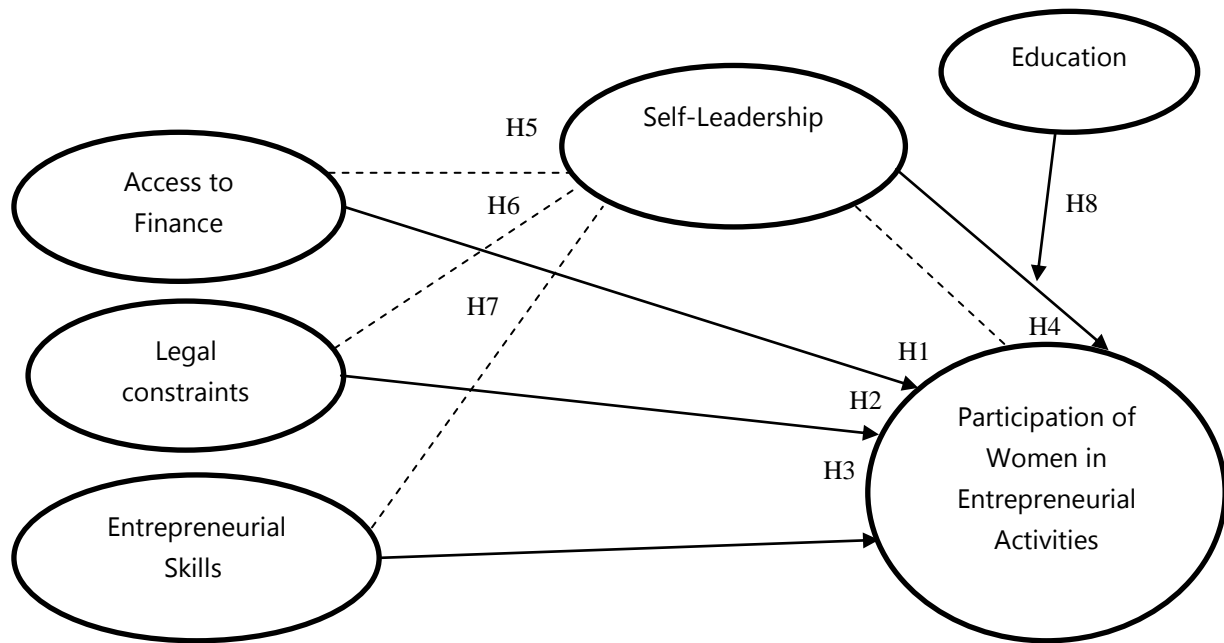


Figure 1: Conceptual Model (Source: Authors' depiction)

## METHODOLOGY

The current study adopted a quantitative research design by using structured questionnaires. Data has been collected from women entrepreneurs in Islamabad, Lahore, and Rawalpindi. A cross-sectional approach was employed for data collection. The snowball sampling method was used to collect the data from 329 women entrepreneurs. A total of 384 questionnaires were distributed among the respondents. The 340 questionnaires were returned, and 329 consider suitably filled. The total return sample was 85.67%.

For the measurement scale adopted by (Crossen 2015; Farah 2014; Kavuli 2014; Sadi and Al-Ghazali 2010; Zeidan and Bahrami 2011). This study utilizes SmartPLS for the measurement and structural model for confirming reliability, validity, and structural model assessment.

## RESULTS AND DISCUSSION

### *Demographics*

The demographics analysis includes marital status, age, education, and industry. There were 72 singles, 92 married, 90 divorces, and 75 widows respondents who participated in the survey. Moreover, 93 had 18-25, 94 had 26-35 years, 79 had 36-45 years, and 63 had 46-55 years of age. Furthermore, 91 have a high school degree, 80 have diploma degree holders, 73 have a bachelor's degree, and 85 have higher education. 78 respondents have a catering/food industry, 82 respondents have a beauty/fashion industry, 80 respondents have an education/training industry, and 89 respondents worked in other industries.

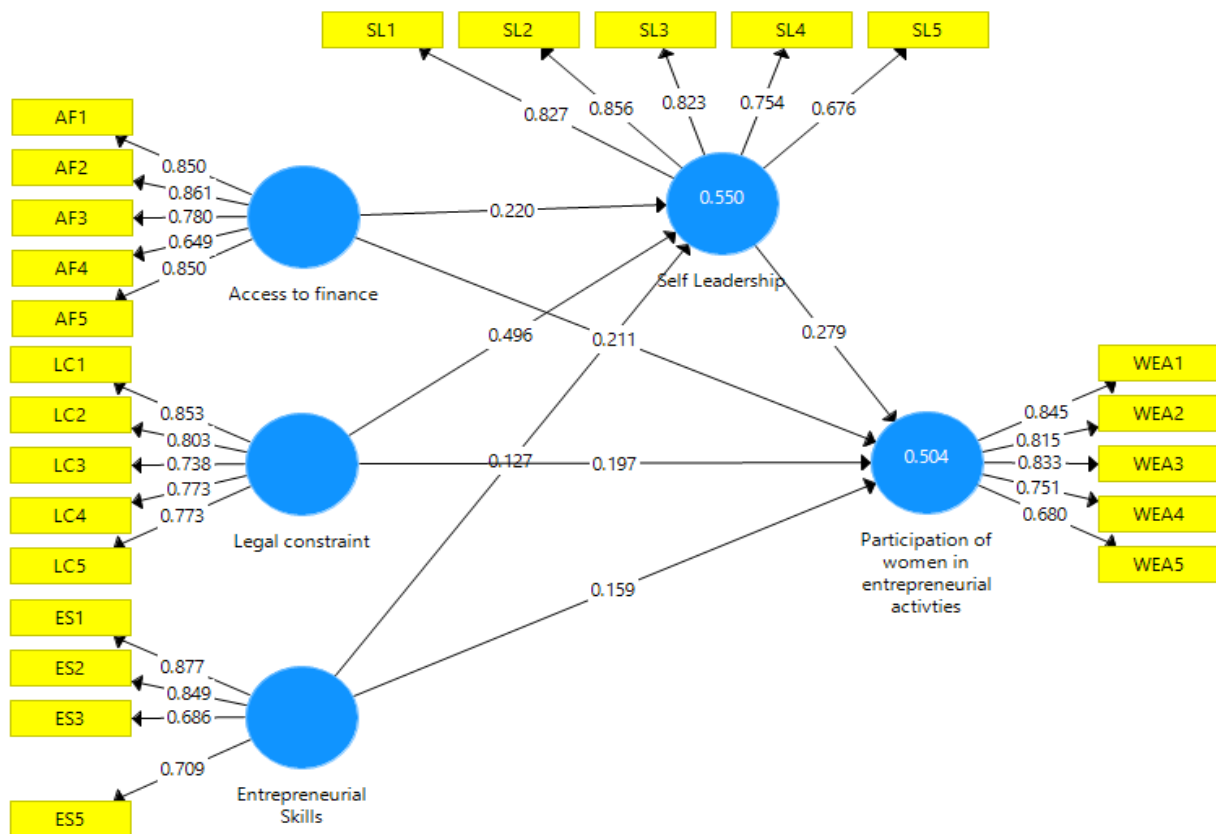


Figure 1: The Measurement Model (Source: Smart PLS)

Table 1: Reliability of Constructs (Source: Smart PLS)

	Cronbach's Alpha	rho_A	CR	AVE
Access to Finance	0.859	0.872	0.899	0.643
Entrepreneurial Skills	0.791	0.815	0.864	0.616
Legal Constraint	0.848	0.853	0.892	0.622
Participation of Women in Entrepreneurial Activities	0.845	0.856	0.890	0.620
Self-Leadership	0.849	0.867	0.892	0.624

Table 1 shows the reliability and the convergent validity of the constructs. The Cronbach's alpha, rho\_A, and CR threshold should be >0.70 (Sarstedt *et al.* 2019). This study shows all values of Cronbach's alpha, rho\_A and CR were greater than the threshold. Moreover, the value of the average variance extracted (AVE) should be >0.50. Statistics show that there was no reliability and validity issue of the constructs.

Table 2: Discriminant Validity (Source: Smart PLS)

Constructs	Fornell and Larcker					Heterotrait-Monotrait				
	AF	ES	LC	PWEA	SL	AF	ES	LC	PWEA	SL
AF	<b>0.802</b>									
ES	0.501	<b>0.785</b>				0.609				
LC	0.636	0.571	<b>0.789</b>			0.737	0.682			
PWEA	0.584	0.523	0.620	<b>0.787</b>		0.677	0.621	0.728		
SL	0.599	0.521	0.709	0.628	<b>0.790</b>	0.685	0.595	0.820	0.727	

Table 2 shows discriminant validity. There were two available methods for assessing discriminant validity - first, Fornell and Larcker Criteria, and second Heterotrait-Monotrait discriminant ratio. The diagonal values of Fornell and Larcker should be greater than the remaining values. The remaining values of the Fornell and Larcker ratio were the correlation between the constructs. Contrarily, the value of HTMT should be <0.85, which indicates no discriminant validity issue (Hair *et al.* 2019). The study found that there was no discriminant validity issue.

Table 3: Hypothesis Testing (Source: Smart PLS)

Relationships	Path	Std. dev.	t-value	p-value
AF -> PWEA	0.211	0.057	3.711	0.000
AF -> SL	0.220	0.054	4.088	0.000
ES -> PWEA	0.159	0.056	2.851	0.005
ES -> SL	0.127	0.056	2.277	0.023

LC -> PWEA	0.197	0.067	2.934	0.003
LC -> SL	0.496	0.056	8.799	0.000
SL -> PWEA	0.279	0.067	4.196	0.000
AF -> SL -> PWEA	0.061	0.021	2.964	0.003
ES -> SL -> PWEA	0.036	0.017	2.101	0.036
LC -> SL -> PWEA	0.139	0.040	3.499	0.001
ED* SL -> PWEA	0.179	0.031	2.040	0.004

Table 3 shows the direct and indirect effects. According to results, finance has a positive and significant impact on the participation of women in entrepreneurial activities. Financial development can increase women's participation in business (Goheer 2003; Zafar and Mustafa 2018). The study hypothesis is accepted; H1: There is a significant relationship between access to finance and the participation of women in entrepreneurial activities.

Moreover, legal constraints found a positive and significant effect on the participation of women in entrepreneurial activities. Therefore, the government enlisting positions that use their workplaces as conductors for support, employing just those with the essential associations, training referred to in the developing countries (Alhabidi 2013; Goheer 2003). The study hypothesis is accepted; H2: There is a significant relation between legal constraints and the participation of women in entrepreneurial activities.

Entrepreneurial skills found a positive and significant effect on the participation of women in entrepreneurial activities. Most of the skilled women population increase entrepreneurial participation with educational improvements (Tlaiss 2015; Roomi 2009). The study hypothesis is accepted; H3: There is a significant relation between entrepreneurial skills and the participation of women in entrepreneurial activities.

Self-leadership found a positive and significant effect on the participation of women in entrepreneurial activities. The expansion of leadership in individuals can pursue others to compete with their organization (Visser and van Scheers 2018). The study hypothesis is accepted; H4: There is a significant relation between self-leadership and the participation of women in entrepreneurial activities.

The study found a significant mediating role of self-leadership between access to finance and participation of women in entrepreneurial activities. More financial strengthening in women leads to more supported development in enterprises and generating economy (Yenilmez 2018).

The study hypothesis is accepted; H5: There is a significant mediating effect of self-leadership between access to finance and the participation of women in entrepreneurial activities. Moreover, legal constraints also found a positive and significant effect on the participation of women in entrepreneurial activities. The elimination of legal constraints motivates women to participate in entrepreneurial activities and leads to more supported development in enterprises and generating

economy (Yenilmez 2018; Zafar and Mustafa 2018). The study hypothesis is accepted; H6: There is a significant mediating effect of self-leadership between legal constraints and the participation of women in entrepreneurial activities.

Entrepreneurial skills significantly and positively influence the participation of women in entrepreneurial activities in the presence of self-leadership. Moreover, the current study examined that entrepreneurs' self-leadership role reduces the malicious behavior to achieve organizational goals (Georgianna *et al.* 2016). The study hypothesis is accepted; H7: There is a significant mediating effect of self-leadership between Entrepreneurial skills and the participation of women in entrepreneurial activities.

Education factors significantly moderating effect between self-leadership and participation of women in entrepreneurial activities. Furthermost researchers indicated that support of education can increase the awareness and knowledge of how to adapt the self-leading practices for entrepreneurial inclination (Berrill *et al.* 2020; Shah *et al.* 2020). The study hypothesis is accepted; H8: There is a significant moderating effect of education between self-leadership and participation of women in entrepreneurial activities.


### *Implication and Future Directions*

For scholars, educators, and politicians, this analysis is useful and also allows women entrepreneurs to recognize the obstacles that obstruct them. Furthermore, to reach their targets, they should increase self-leading actions and extend their creative behavior to evaluate them with distinct self-leading techniques. It is important to educate and inspire women entrepreneurs to build new entrepreneurial lifestyles and capacities. Women's business networks should be enabled to access IT, raw materials, and markets that are important to the sustainability, creation, and extension of their companies. The study proposed that future studies should concentrate on some other variables affecting funding at the macro-and micro-level. For young entrepreneurs in need of financial resources to launch their business, the studies should be further explored. In addition, in rural and urban areas, the study proposed investigating how to split the network based on gender. In addition, lean start-up theories need to be used to improve entrepreneurship capabilities in women in future studies. To improve international borders, further studies on logistics, technical, and entrepreneurship capabilities should be explored.



## CONCLUSION

This study found that access to finance, legal constraints, and entrepreneurial skills significantly influence the participation of women in entrepreneurial activities. Additionally, the study also found the significant mediation of self-leadership between access to finance, legal constraints, entrepreneurial skills, and participation of women in entrepreneurial activities.

Furthermore, education has a strong moderating effect on self-leadership and women's participation in entrepreneurial activities. These factors can develop the possession in business and financial development increases the women's strength. Additionally, the implementation of self-leadership in women can upturn gender-based equality and improve the decision-making power in management issues in business activities. 

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### Statement of human rights:

This article does not contain any studies with human participants performed by any of the authors.

### Statement on the welfare of animals:

This article does not contain any studies with animals performed by any of the authors.

### Informed consent:

Informed consent was obtained from all individual participants included in the study.

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# THE CURRENT MIGRANT AND REFUGEE CRISIS IN EUROPE: REFUGEE RECEPTION CENTERS IN SOUTH-EAST BULGARIA

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**Abstract:** *In this paper, we analyzed the current refugee crisis in Europe by discussing its main characteristics within the European context. A comparison between the different routes in Western, Central, and Eastern Mediterranean, the Western Balkans, and in general in South-Eastern Europe was done. As the main research problem, we focused on Bulgaria as an entry gate for the arriving immigrants and we presented the most recent statistics related to the illegal entries in the country. Among our objectives was the analysis of the current problems at the reception centers in the South-Eastern part of Bulgaria. An important part of our methodology consisted of direct interviews performed with the local and immigrant population at the center of Harmanli. The key results of our analysis showed that despite the attempts on the part of the officials for successful integration of the immigrants, there were still important needs for improvement. In conclusion, we suggested that the use of good practices from other countries with experience in migration policies might contribute to better integration and improvement of the mutual respect between local and migrant populations.*

**Keywords:** *European Refugee Crisis; Illegal Migration; Bulgaria; Refugee Reception Center Harmanli*

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## INTRODUCTION

The recent migration crisis is one of the major challenges for Europe and the World after the Second World War. There were 19.5 million refugees worldwide at the end of 2014. The war in Syria caused over 4 million refugees, accompanied by the arrival of asylum seekers, reaching 663.000 in 2014 and almost 1.005.500 in December of 2015 (IOM 2015). 970.000 refugees arrived in Europe by crossing the Mediterranean in that year. The major part of them has reached Greece and Italy, while Spain, Cyprus, and

Malta have been less affected. Another 30.000 arrived in Bulgaria from Turkey by land (IOM 2015). At the end of 2016, more than 3 million Syrian refugees lived in Turkey, apart from the rest of the refugees and immigrants coming from Afghanistan, Pakistan, Iraq, etc. Most of them were willing to continue their route to Western Europe (Bitoulas 2015; UNHCR-Turkey 2016). This is a challenging situation for Bulgaria, which has a common border with Turkey.

The impact of the massive movement of refugees to Europe in 2015 and 2016 resulted in a growing refugee population and the number of asylum applications processed during 2017. The refugee population in Germany increased by 45% in the period 2015-2017. The country continued to receive the most claims from Syrians - 49,000 in 2017, although in 2016 their number was higher -266,300. In 2016, Greece had the second-largest number of received claims (16,300) followed by Austria (7,300), France (5,800), Sweden (4,600), and Spain (4,300) (UNHCR 2017). In 2017, Lebanon continued to host the largest number of refugees in relation to its population. One of six people was a refugee under the responsibility of UNHCR. During that year and in 2018 for the third and fourth consecutive time, Turkey hosted the largest number of refugees, with 3.5 and 3.7 million people, respectively (UNHCR 2017, 2018).

Syria was the most common country of origin with 117,100 new claims in 104 countries in 2017, mostly in Europe. Afghanistan contributed with 107,500 claims in 80 countries. Turkey received the most claims from Afghan refugees in 2018 with 53,000 registered, followed by Greece (1,800), which marks a significant increase compared to 7,500 in 2017. A similar increase of the Afghan claims was seen in France, from 6,600 in 2017 to 10,300 in 2018. In contrast, there has been an important decline in Germany from 127,000 claims registered in 2016 to 16,400 in 2017 and 9,900 in 2018 (UNHCR 2017; 2019). The situation in 2020 shows that around 8,700 people in need of international protection were resettled from non-EU countries to the EU Member States, which is about 59% less than in 2019 due to the Covid-19 pandemic. Syrian was the main nationality with about 53% of people resettled within these countries and mainly in Germany. Spain's refugee statistics for 2020 reports 103,679 people, which is an increase of 79.53% compared to 2019 (CEAR 2021). Data of 2021, concerning the number of illegal border crossings at the EU's external borders during Jan-Sep 2021, show that they were about 47% more than in 2019 when this number was 91,000 (FRONTEX 2021). In September there were 23,630 illegal border crossings, which is about 40% more compared to September 2020 and 17% more compared to September 2019. The most important routes were the Central Mediterranean and Western Balkan ones. About 47,620 illegal border crossings were registered in the first nine months of the year on the Central Mediterranean route. This is an 87% rise compared to the same period of 2020. Only in September, there were 5,670 illegal border crossings, mainly from immigrants coming from Tunisia, Bangladesh, and Egypt, which is about 33% more compared to September 2020.



The statistics concerning the Western Balkan route counts about 40,200 illegal border crossings, during the first nine months of 2021, which is about 117% more compared to the same period of 2020. Only in September 2021, there were 10,400 illegal crossings, which is about 112% more compared to September 2020.

Concerning the Eastern borders, the recent increase of immigrants, mainly coming from Iraq, Afghanistan, and Syria, at the borders between Belarus and Poland and Lithuania shows a dramatic situation of accumulation of immigrants between the borders. Only in July 2021, their number reaches 2900 at the border between Lithuania and Belarus, while in September Lithuanian authorities registered 20 irregular arrivals. Similar and even worse is the situation at the border between Poland and Belarus, where in September, Polish authorities registered 28 illegal border crossings. In mid-November 2021, the situation at the border between Poland and Belarus has escalated due to the presence of the Polish army and the accumulation of more than 2,000 immigrants at the Belarus part of the border with very limited access to humanitarian aid. Even more, there were several border clashes at the Bruzgi-Kuźnica border crossing between both countries (Chance *et al.* 2021). Since the beginning of 2021, more than 34,000 attempts have been registered, of which 6,000 in November, nearly 17,300 in October, 770 in September, and more than 3,500 in August 2021 when the crisis began (FRONTEX 2021).

Regarding the Western and Eastern Mediterranean routes for the period January-September 2021, 14,100 illegal border crossings were detected on the Western Mediterranean route which is 22% more than the same period in 2020. Only in September 2021, the number of detentions amounted to 3,487, which is about 20% more compared to September 2020. The situation on the Eastern Mediterranean route for the period January-September 2021 shows 13,190 detentions, which is about 17% less compared to the same period of 2020. However, in September 2021, 1,590 illegal crossings have been registered on this route, which is about 18% more compared to September 2020.

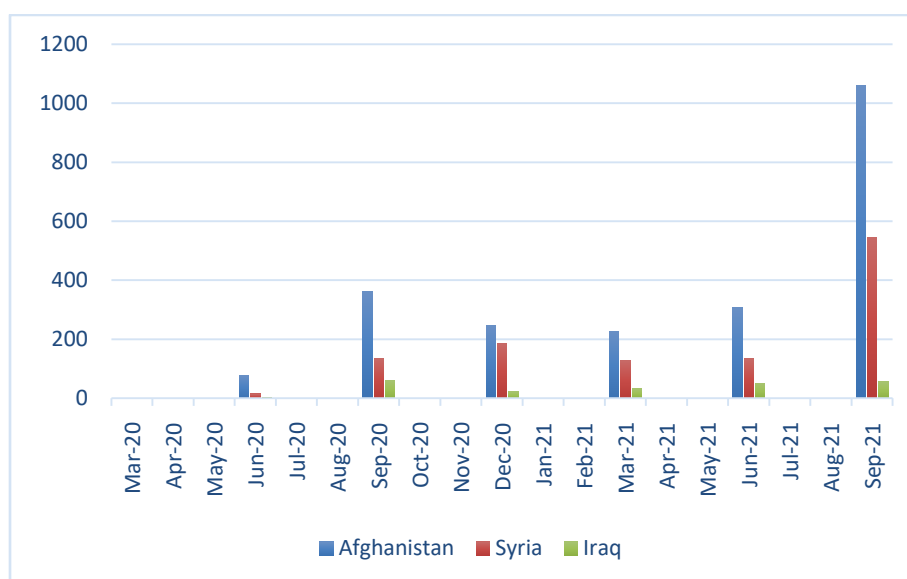
The majority of the immigrants from the Western Mediterranean route come from Algeria, Morocco, and sub-Saharan Africa, while those from the Eastern Mediterranean route come from Syria, Turkey, Afghanistan, and the Democratic Republic of the Congo.

Finally, the Western African route registered 11,700 illegal border crossings during January-September 2021, which is about 93% more compared to the same period of 2020. The majority of the immigrants on this route come from Sub-Saharan Africa and Morocco. The refugee crisis and its effect in several countries have been the focus of numerous research and policy analyses (Ayoub and Shaden 2014; Bardens, Melanie, and Smith 2014; Ostrand 2015; Koroutchev 2016). Many attempts have been also done concerning the question of livelihood opportunities for the refugee population by using lessons from past practices (Harild, Christensen, and Zetter 2015; Jacobsen and Fratzke 2016).

More recent publications have discussed in general the journalism, public opinion, and policymaking in Europe and those related to the migration phenomena (Dell'Orto and Wetzstein 2019), the building migration partnership in the Mediterranean (Lixi 2017), the relationship between development and migration (Fratzke and Salant 2018), the role of the European education to boost migrant inclusion (Ahad and Benton 2018), the German experience in the field of integration (Bruecker, Jaschke, and Kosyakova 2019) or the Covid-19 consequences for the migration after 2020 (Benton *et al.* 2021; Segeš Frelak, Chirita, and Mananashvili 2021; Koroutchev 2021) among others.

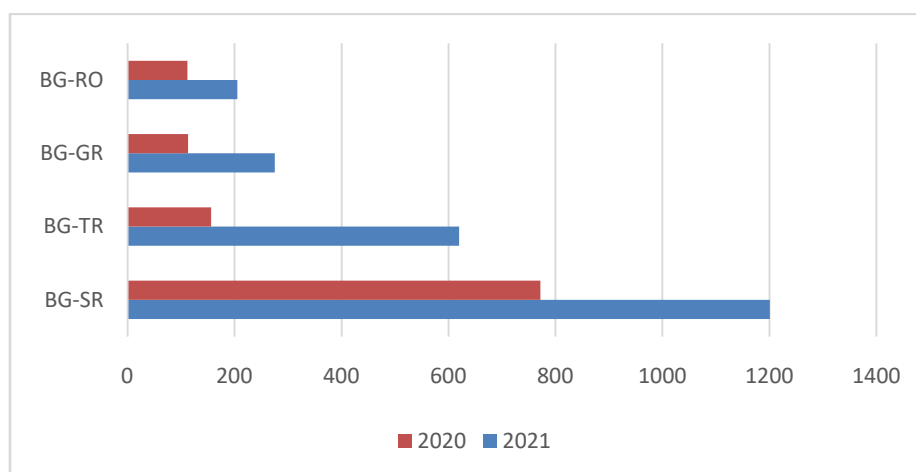
## BULGARIA AS A TRANSIT COUNTRY FOR THE IMMIGRANTS

The route of migrants through the European part of Turkey has two itineraries. One is across the Maritsa River to Greece and the other is by land to Bulgaria. In recent months, they have used to cross those parts of the Bulgarian border where the fence has been destroyed. Migrant pressure is currently intensifying due to the difficult situation in Turkey. The country is experiencing economic difficulties, and Turkish society is intolerant of the influx of migrants from Afghanistan and Pakistan. The official statistics offered by the Bulgarian Border Police (BBP 2021) show an important increase of immigrants in recent times, mainly due to the illegal crossing of immigrants from Afghanistan after August 2021 (Figure 1).



**Figure 1: Detained Illegal Immigrants at the Bulgarian's Borders and Inside the Country during the Period March 2020 – September 2021 (Source: BBP 2021)**

Following the statistics, the majority of the detained immigrants are at the western border between Bulgaria and Serbia (Figure 2).



**Figure 2: Detained Illegal Immigrants at the Bulgarian Borders with Neighboring Countries in 2020 and 2021 (Source: BBP 2021)**

The distribution of the accommodated immigrants in the Bulgarian refugee's centers during 2020 and 2021 is represented in Table 1.

**Table 1: Capacity, Accommodation, and Percentage of Filling of the Centers during January-September 2020 and 2021 (Source: BBP 2021)**

Capacity	Accommodated	% of Filling	Accommodated External
2021-5160	1940	37,6	306
2020-5160	813	15,8	116

The above accommodations according to citizenship in 2020 and 2021 are represented in Table 2.

**Table 2: Distribution of the Accommodated Immigrants According to their Citizenship during January-September 2020 and 2021 (Source: BBP 2021)**

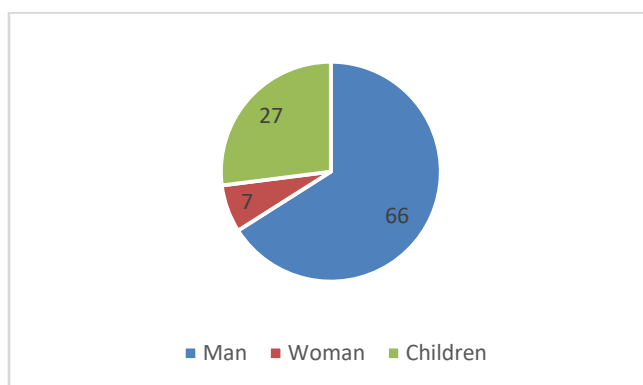
Citizenship	Number (2021 vs. 2020)	% Tot. Number (2021 vs. 2020)
Syria	1,206 vs. 425	62.2 vs. 52.3
Afghanistan	547 vs. 240	28.2 vs. 29.5
Iraq	64 vs. 61	3.3 vs. 7.5
Others	123 vs. 87	6.3 vs. 10.7

Finally, Table 3 shows the number of accepted and left immigrants from the Bulgarian refugee's centers during January-September 2020 and 2021.

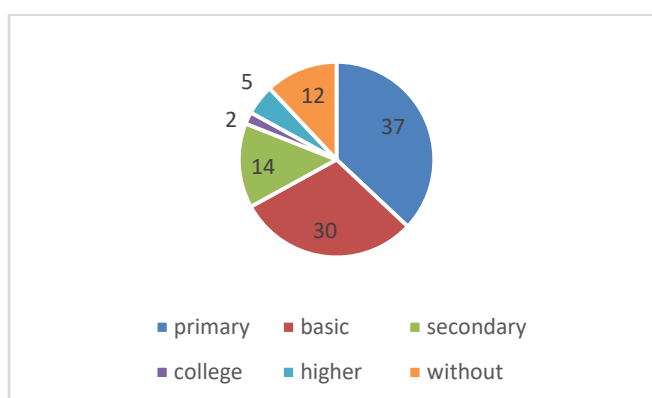
**Table 3: Accepted, Left, and Left with Protection Granted Immigrants during January-September 2020 and 2021 (Source: BBP 2021)**

	Accepted	Left	Left with Protection Granted
Since Beginning 2021	5,795	4,219	928
Since Beginning 2020	1,438	859	315

In the following figures, one can see the proportion of the immigrants seeking protection in Bulgaria according to their gender (Figure 3) and educational background (Figure 4) (AREF 2021).

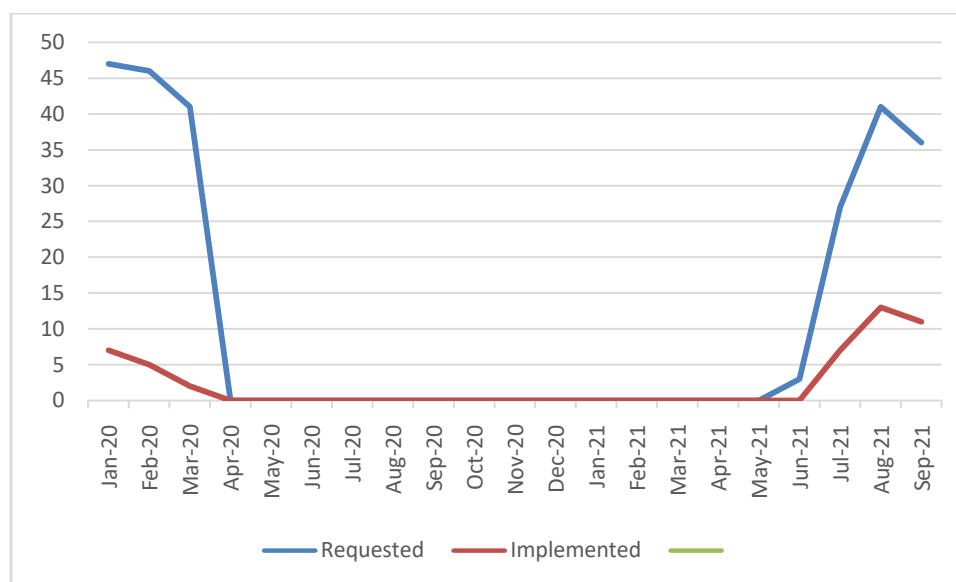


**Figure 3: Percentage of Immigrants Seeking Protection in September 2021 According to their Gender (Source: AREF 2021)**



**Figure 4: Percentage of the Immigrants Seeking Protection in September 2021 According to their Educational Background (Source: AREF 2021)**

It is interesting to see the evolution of the requested and implemented transfers of immigrants from Bulgaria since January 2020. In Figure 5 one can see how these numbers have changed during the first months of the Covid-19 pandemic. From April 2020 until May 2021, no transfers have been done. After May 2021, the number of requested transfers according to Dublin's regulation has substantially increased. However, the number of implemented transfers is still very low (Figure 5).



**Figure 5: Requested and Implemented Transfers According to the Dublin's Regulation during the Period January 2020-September 2021 (Source: AREF 2021)**

### **REGISTRATION AND RECEPTION CENTERS IN SOUTH-EAST BULGARIA: ON THE WAY TO WESTERN EUROPE**

According to the official information from the Bulgarian State Agency for Refugees with the Council of Ministers, the Registration and Reception Centers (RRC) have the major duty to organize the reception and temporary accommodation of the immigrants who have applied for international protection; make arrangements for issuing identity documents; provide food, social, medical and psychological assistance to the foreigners accommodated in the centers; ensure the age assessment procedures of unaccompanied minors who have applied for international protection, organizes the cooperation and exchange of information in connection with the administrative proceedings under the Law on Asylum and Refugees between the Agency and other state authorities; proceed on the applications for family reunification of foreigners who were granted international protection, etc. (AREF 2021). The reception centers in South-Eastern Bulgaria, such as those in Harmanli, Pastrogor, and Lyubimets are on the way of the immigrants coming from Turkey in their route to Western Europe and mainly

Germany. According to the latest data from October 2021, a total of 1,132 people are housed in the Reception Center for Refugees in Harmanli, mostly from Syria and Iraq. In the Transit Center 'Pastrogor', almost all of the 212 foreigners accommodated there as of October 2021 were from Afghanistan. A closed type accommodation for temporary accommodation of foreigners has been opened in Lyubimets, where in October 2021, 530 people, mostly citizens of Afghanistan (359) and Syria (114) have been accommodated (BNR 2021).

### THE RECEPTION CENTER IN HARMANLI

During the first 6 months of 2021, the number of immigrants in Harmanli Reception Center has increased almost five times. They are mainly coming from Syria, Iraq, and Afghanistan (Slavova 2021). Despite this number, only 18% of the capacity of the Center was occupied in July 2021. From 1 to 28 July, 715 people sought protection, and in June there were 579. The increase is typical for the warm months of the year. In May, there were 286 foreigners seeking protection, in April (564), in January (340) (Semerdzhieva 2021). However, this number increased continuously and in September 2021, about 40% of the capacity of the centers for the accommodation of migrants was filled. Harmanli has 1,200 migrants seeking humanitarian status, with a capacity of more than 2,700. Illegal migrants detained on the border with Turkey are placed in Harmali Reception Center under mandatory quarantine in closed centers. They also have full medical examinations there. Their health condition is also checked when they are transferred to the accommodation centers of the Refugee Agency. More than 50% of the residents there have been vaccinated against Covid-19 and the number of cases this year is just a few (Petrova 2021).

As a general trend, in the last months, the number of immigrants who arrived in Harmanli Reception Center was more than those who left the Center. This created some anxiety between the local populations, despite the attempts of the immigrants to integrate to a different culture and the efforts from the locals to be more tolerant towards people who have been forced to leave their home countries due to the war or to economic reasons. At the end of October 2021, there were demonstrations of the local population against the immigrants at the RRC Harmanli asking for a closed refugee center and a stricter regime for foreigners. The main complaints were related to the unsecured nightlife and the dirty streets of Harmanli due to the foreigners. Moreover, women and young girls complained of being constantly subjected to sexual intents and verbal aggression by migrants (Subev 2021).

The interviews performed by the authors with immigrants and the local population at the end of October and the beginning of November 2021 confirm the atmosphere of strong tension in the town. The interviewed local people expressed their everyday difficulties when struggling to make ends meet, the lack of economic

perspectives, the current political and health crisis, related to the absence of government, and the peak of the fourth wave of the Covid-19 pandemic. In addition, they were concerned about the safety of the Bulgarian population in Harmanli due to the presence of immigrants in the city and the absence of integration of the foreigners to the main traditions and established order. Due to this unsecured atmosphere, the local people preferred to avoid and contact refugees. Similar to the immigrants, they were reserved about talking.

The general perception when interviewing the immigrants was the lack of trust in the local population due to a recent conflict in a city's shop. They even found it very strange that Bulgarian people wanted to contact them for the interviews. It was very hard to speak to them about the reason why they left and what their aim is. They did not want to go further into details. So they told it in a very short way. Even more, they don't speak good English and the communication was through the Google translator application. All of them had a non-realistic view of Europe, mainly obtained from movies and people who have been there and have returned after earning money.

The authors have contacted several immigrants to understand their story, aims, and how they perceive their stay at the Harmanli Center. The main characteristics from these interviews are briefly presented below:


- Ab. (24 years old man) immigrated because of the dramatic situation in Syria and the hard time in his village, where he was a shepherd. He wants to travel to Germany because as he heard from others, the life there would be better.
- Ur. (29 years old man) worked as a massage therapist, but he had no perspectives because of the war. He had studied some traditional styles of massage in Aleppo, Syria. The knowledge, he gave from his parents, was about energy therapy and massages. As in the case of Ab, traveling for Germany, he is expecting to have a better life there.
- Zh. (22 years old man) immigrated to join a family who is already in France, close to Marseille. They have some restaurants there and he could work. In his home in Syria, he doesn't find a way to deal with the poverty developed by the war.
- Ad. (33 years old man) is an electrician and a father of two children. He was in search of a safer place for his family. When the war broke out in Darfur, Sudan, his uncles were brutally killed and he was forced to run away from the civil war so he could save the life of his wife and children. He was previously in three other refugee camps in better conditions in terms of provision and medical care compared to the Harmanli Center. He shared sadly that the locals considered them as carriers of viruses and illness.
- As. (24 years old man) is a teacher of mathematics. He escaped from the civil war in Aleppo, Syria with the hope of finding new opportunities in life. He was still recovering from the psychological stress of having been a witness of bloodshed, murders, and heavily injured people. He had to find shelter and support at the

border with Syria before he arrived in the camp in Harmanli. He was thankful for the material base and emotional support he received there. He took the role of teacher for the children in the camp and he educated them voluntarily. He initiated classes in the manner of informal education.

- (28 years old man), a farmer, and his mother M. (48 years old) left Afghanistan three years ago. Their village was attacked and he had to flee his home with his mother. They crossed the border illegally and met many benevolent people who gave them shelter and food. He and his mother missed their village and the work on the farm. They felt very concerned about the near future and the way other people from different cultures will accept them. They shared they feel sometimes bored, isolated, and meaningless because of the lack of interaction and activity in job and work.

From the above testaments, one can easily see that there are not enough integration policies in Harmanli, which can permit to reach a better climate and better use of the experience and knowledge from both parts. Actually, with the support of IOM, SAR, and Harmanli Municipality, there were several events to get closer to the local and immigrant population such as the Bulgarian traditional dance workshop (2021), football tournaments for children and adults, Graffiti Fest Harmanli, the celebration of the World Refugee Day, the presentation of the cultures of Syria, Iran, and Afghanistan (2020) or the Global Migration Film festival in previous years (IOM Bulgaria 2021). It seems however that these efforts are not enough for better integration of the refugees and it is desirable to adopt new politics of integration based on best practices from other countries and regions.

## CONCLUSION

By using data from the Bulgarian Border Police and other official institutions, we discussed how the refugee crisis affects currently Bulgaria in terms of illegal border crossing and the migrant profile. Our attention was mainly concentrated on the Refugees Reception Centers in the South-Eastern part of the country, which is on the road of the illegal immigrants coming from Turkey towards Western Europe. We have performed several interviews with the local and immigrant population in Harmanli, where the biggest reception center for refugees is situated. Our analysis shows that despite the attempts on the part of the officials for successful integration of the immigrants in that reception center, there are still important needs for improving the relationship between the local and immigrant population in Harmanli. We conclude that good practices from other countries, which have extensive experience with immigrants could also be applied in this case. 



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### Statement of human rights:

This article does not contain any studies with human participants performed by any of the authors.

### Statement on the welfare of animals:

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### Informed consent:

Informed consent was obtained from all individual participants included in the study.

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## SOCIAL CAPITAL AND ITS CHANGES IN ARMENIA: CHALLENGES AND EXPECTATIONS

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**Abstract:** *Social capital was the Achilles' heel of the economic competitiveness of Armenia. In the meantime, the country made significant progress in solidifying it since the Velvet Revolution. In this article, we tried to present and analyze those elements of social capital which demonstrated significant progress in post-revolutionary Armenia, as well as the changes thereof. For that purpose, we have formulated the following research questions: What factors led to this growth, and what factors still lag? What hidden challenges can be observed through factual indicators which probably resulted from the slight decrease in the updated scores? What changes can be expected from the turbulent world and in the post-war society? The applied methodology is quantitative. In particular, to answer the research questions we used index analysis, graphic analysis, and comparison, correlation analysis techniques, paired t-test of the mathematical-statistical significance of changes, and Principal Component Analysis. The results of the analysis showed that a significant increase in the level of social capital was recorded in post-revolutionary Armenia, which was mainly due to the progress in institutional trust. Nevertheless, some revealed anomalies and encountered challenges undermined the archived progress in the growth of trust. Therefore, we put forward several recommendations.*

**Keywords:** *Social Capital; Institutions; Velvet Revolution; Caucasus Barometer; Covid-19; War*

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### INTRODUCTION

According to the Global Competitiveness Report, social capital has been the weakest pillar of Armenia's economic competitiveness for many years (WEF 2019), and it is no longer a secret that Armenia has made significant progress in that regard since the Velvet Revolution (LI 2021a). What factors led to this growth and what factors still lag? What hidden challenges can be observed through factual indicators which probably resulted in the slight decrease in the updated scores (LI 2021a)? What changes can be expected from the turbulent world and in the post-war society?

To tackle the research questions we used mathematical-statistical methods based on results of the Caucasus Barometer 2019 survey (the data are openly available). We compared the latter with the social capital pillar in Legatum Prosperity Index used in the Global Competitiveness Report, as well as discussed the challenges of social capital in the post-pandemic and post-war countries. The study addresses the mentioned issues in the following order; firstly, we assessed the social capital of the Republic of Armenia (RA) and the changes in its elements. Afterward, we observed the indicators that had the most noticeable changes and checked the statistical significance of these changes. Thirdly, we analyzed the social capital of the RA over time. And finally, we discussed revealed anomalies, along with the local and global challenges of the future.

## DEFINING SOCIAL CAPITAL

The elements attributed to social capital (trust, norms, personal ties, etc.) are quite diverse. Hence, it is not contingent that the concept lacks a common definition yet (Gradlyan and Baghdasaryan 2014, 10). Many approaches were grouped by some authors. In particular, the grouping is based on community, network, institutional and synergetic approaches (Woolcock and Narayan 2000, 229), or micro and macro (sometimes also in meso level) levels of analysis (Chakrabarty 2013; Akcomak 2009).

As a result, while talking about social capital, different authors, discuss its different elements, thereby sometimes arriving at different conclusions concerning the same problem. Here are two such examples that merit attention. While discussing social capital in the context of the Covid-19 pandemic, authors sometimes take its different elements: in one case it is considered to have a positive impact due to the high level of trust in institutions (Aassve *et al.* 2020), while on the other hand, the impact of interpersonal relationships considered as a negative factor contributing to the spread of the virus (Bartscher *et al.* 2020).

The second example is the study of the interaction between social capital and economic growth. In the most well-known case studying this connection, Knack and Keeffer (1997) show a positive correlation between the trust element of social capital and the strong economic performance, while another study, considering only the interpersonal trust element of social capital, concludes that the impact of social capital on the overall result disappears in case of developed institutions (Ahlerup *et al.* 2009). Notably, J. Stiglitz explained this phenomenon as a transformation of social capital, i.e. a transition from one form of social capital (interpersonal trust) to another (trust in institutions), not the neutralization of the influence of social capital (Stiglitz 2000, 63-65). We agree with this approach, which is essentially the synergetic approach to the definition of social capital. Thereby, for the present article, we formulated and proposed the following definition of social capital: the social capital of an individual country refers to the strength of interpersonal and individual-institutions relations in the given society,

which affects the outcomes. Moreover, well-known international organizations also use the synergistic approach of definition when assessing social capital, reflected in key indexes which will be addressed below.

## THE CHANGES IN THE SOCIAL CAPITAL OF THE REPUBLIC OF ARMENIA AND THE ELEMENTS THEREOF

The change of social capital in post-revolutionary Armenia needs a detailed analysis, which we will try to do in this part based on the most recent data of the Caucasus Barometer 2019 survey. The survey results for Armenia became available on 26 June 2020 and the field works were carried out in February-March, 2020.

Using the results of the survey evaluated social capital by calculating a social capital index analogous to Legatum Prosperity Index (LI 2021b) and OECD (n.d.) methodology. In particular, we calculated the three elements (institutional trust, civic participation, and personal network connections, combining personal networks, interpersonal trust, and personal and family relations in the latter due to the lack of questions on these elements in the survey) using the weighted average of the included indicators. Afterward, we calculated the index with the weighted average of the indicators. The answers are included in consideration of the weights of respondents given in the survey results. We evaluated the index using the following formula:

$$1) \text{ Index}_{\alpha} = \frac{\sum_{i=1}^3 \frac{\sum_{j=1}^{n_i} w(ij) * m(ij)}{\sum_{j=1}^{n_i} m(ij)} * k(i)}{\sum_{i=1}^3 k(i)}, \text{ where}$$

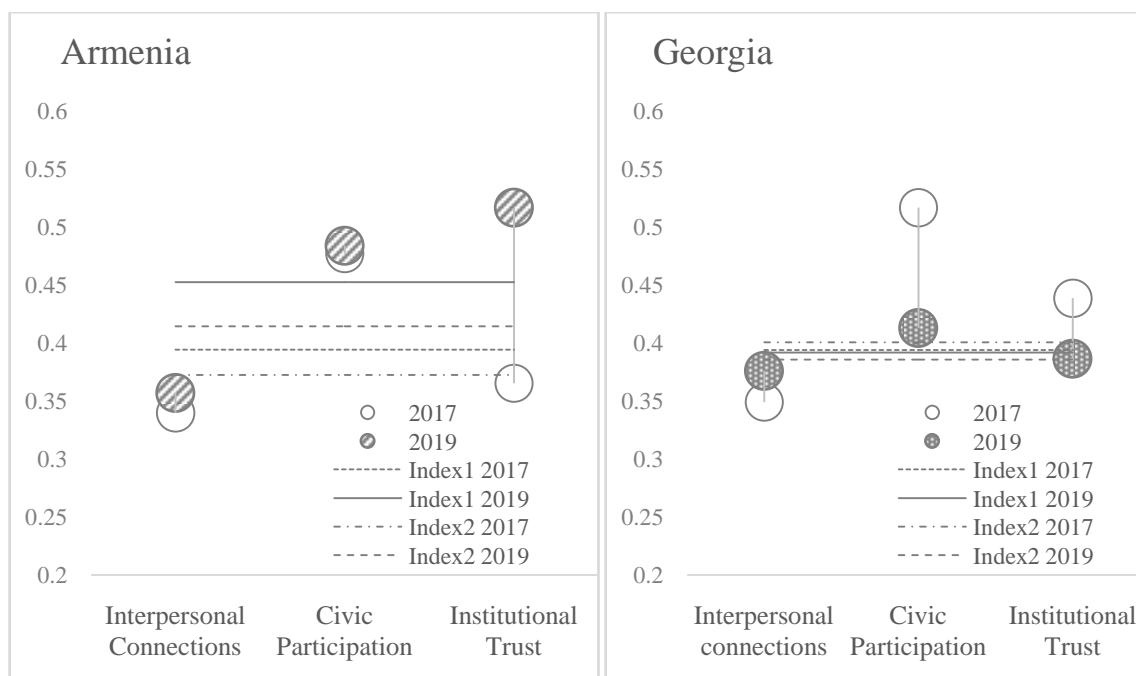
$w(ij)$  is the mean value of  $j$  indicator in the element.

$m(ij)$  is the weight of  $j$  indicator in the element.

$k(i)$  is the weight of the element.

$n_i$  is the number of indicators in the element.

According to the 2019 results, Armenia improved its indicator by 14.8%, by having progress of 0.06 percentage points (in the range of 0-1), bypassing Georgia. To understand due to which elements and indicators, in particular, this progress has been recorded, let us unbundle the Social Capital Index.



**Figure 1: Changes in the Main Elements of the RA and RG Social Capital According to Caucasus Barometer 2017 and 2019 (Source: Caucasus Barometer databases and authors' calculations)**

As we can see from Figure 1, the Republic of Armenia has made progress in all the three sub-elements of the index, recording the smallest progress in the element of civic participation and the biggest progress in the element of institutional trust (the indicators used in the calculation of elements are presented below).

Meanwhile, neighboring Georgia has made progress only in the element of personal network connections. The progress, however, was higher than in Armenia. A mention must be made that while discussing the issues related to the social capital some authors only consider this particular element of the index as an indicator of social capital and do not include the institutional factors (for example, the approaches of Putnam or Fukuyama (Gradlyan and Baghadasaryan 2013)). Among the indicators included in the 'institutional trust' element the biggest improvement compared with 2017 had the perception of fairness of the recent elections, the level of trust in the president, the level of trust in the government, and confidence in fairness of the treatment of the government. Only the 'frequency of visits to religious institutions' indicator recorded a decrease inside this element. The biggest improvement in the element of personal network connections is not able concerning the activity on Facebook and other social networks, while the most significant decline is recorded when it comes to the 'participation in public events' and 'telling personal problems to relatives' indicators. As for the element of civic participation, the biggest progress is recorded about the importance of volunteering, the importance and readiness to



participate in elections indicators, while the most significant decline is registered in terms of donations to religious and non-religious organizations. Note that in the case of the indicators showing the most significant change, the change is also statistically significant by the results of the Paired-t test (Table 1). It should be noted that the indicators of trust in the president and participation in public events do not meet the normal distribution condition, therefore, the analysis does not allow to check the statistical significance of the change in these indicators.

Table 1: The Results of the Statistical Significance Test and the Required Tests (Source: Caucasus Barometer databases and authors' calculations)

Indicator	Shapiro-Wilk test on normal distribution p-value (>0.05)	Normal distribution- Density plot (bell shape)	Mean of differences (2019/2017)	Paired t test p-value (<0.05)
Domestic politics . improvement	● 0.0032800	✓	1.255	● 2.20E-16
Information by TV's	● 0.0098800	✓	0.381	● 9.17E-08
Will the situation improve in RA	● 0.0742000	✓	0.697	● 2.26E-13
Trust – Army	● 0.0000868	✓	0.355	● 0.0001
Trust – Banks	● 0.0240000	✓	0.163	○ 0.0904
Trust - Court system	● 0.1860000	✓	0.322	○ 0.0005
Trust - Educational system	● 0.0368000	✓	0.054	○ 0.5635
Trust - Executive government	● 0.3220000	✓	1.501	● 2.20E-16
Trust - Healthcare system	● 0.2200000	✓	0.144	○ 0.1051
Trust - Local government	● 0.7220000	✓	0.502	● 3.02E-08
Trust – Media	● 0.0630000	✓	0.138	○ 0.0901
Trust – NGOs	● 0.6430000	✓	0.139	○ 0.1635
Trust – Ombudsman	● 0.0350000	✓	0.257	○ 0.0308
Trust – Parliament	● 0.0087600	✓	0.814	● 7.63E-16
Trust – Police	● 0.0561000	✓	0.718	● 2.23E-12
Trust - Political parties	● 0.1160000	✓	0.496	● 9.59E-09
Trust – President	● 0.0000419	✓	-	-
Trust - Religious institutions	● 0.0180000	✓	0.262	● 0.0053
People treated fairly by the gov.	● 0.0000250	✓	-	-
Injustice of the judicial system	● 0.0554000	✓	0.425	● 2.19E-07
Fairness of recent elections	● 0.2140000	✓	1.015	● 2.20E-16
Important - support the gov on every oc.	● 0.1700000	✓	1.087	● 3.58E-07
Important - always obey laws	● 0.0272000	✓	0.299	○ 0.1195
Important - be critical to the gov.	● 0.0759000	✓	0.437	● 0.0219
Level of democracy	● 0.0015100	✓	0.790	● 2.20E-16
Necess. to participate in protests	● 0.0022600	✓	0.193	○ 0.0295
Frequency of fasting	● 0.0000730	✓	0.053	○ 0.5619
Freq. of attendance of rel. serv.	● 0.0008870	✓	0.334	● 0.0056
Would you parti. in parliament elec?	● 0.0880000	✓	0.222	● 0.0064
Cleaned /helped to/ public space (6m)	● 0.4170000	✓	-0.043	○ 0.1942
Made an online comment (6m)	● 0.0208000	✓	0.044	○ 0.1279
Donated money to a church (6m)	● 0.3660000	✓	-0.123	○ 0.0001
Non-religious charity (6m)	● 0.0910000	✓	-0.064	○ 0.0734
Helped some. to resolve a dispute (6m)	● 0.0352000	✓	0.047	○ 0.1579
Signed a petition or a demand/req.(6m)	● 6.93E-13	✓	-	-
Volunteered (6m)	● 0.0081100	✓	-0.061	○ 0.0484
Important - support people	● 0.3490000	✓	-0.103	○ 0.5525
Important - vote in elections	● 0.0523000	✓	0.522	● 0.0040
Important - do volunteer work	● 0.0095000	✓	0.424	○ 0.0209
Did you vote in the Parl. elec. in 2018	● 0.0099800	✓	0.017	○ 0.5643
Use Facebook	● 0.0792000	✓	0.114	● 0.0003
Engage in forum discussions	● 2.26E-22	✓	-	-
Use social networking site(s)	● 0.0780000	✓	0.047	○ 0.1062
Appr. of doing business with Armenian	● 2.27E-15	✓	-	-
Discuss. pers. Problems with relatives	● 0.3280000	✓	-0.432	○ 0.0275
Most people can be trusted	● 0.0112000	✓	-0.183	○ 0.3305
Helped a neighbor/friend (6m)	● 0.4850000	✓	-0.039	○ 0.2098
Attended a public meeting (in 6m)	● 1.44E-08	✓	-	-

Notes: 1. According to the questionnaire, in the case of the intensity of attendance at religious institutions and the frequency of fasting, the higher the value, the lower is the frequency. In Shapiro-Wilk test: ● -  $p < 0.05$ , ● -  $p > 0.05$ , in Paired-t test: ○ -  $p < 0.05$ , ● -  $p < 0.05$ , normal distribution: ✓ - visually bell appearance. The first group – Institutional Trust, the second group – Civic Participation, the third group – Interpersonal Relations.

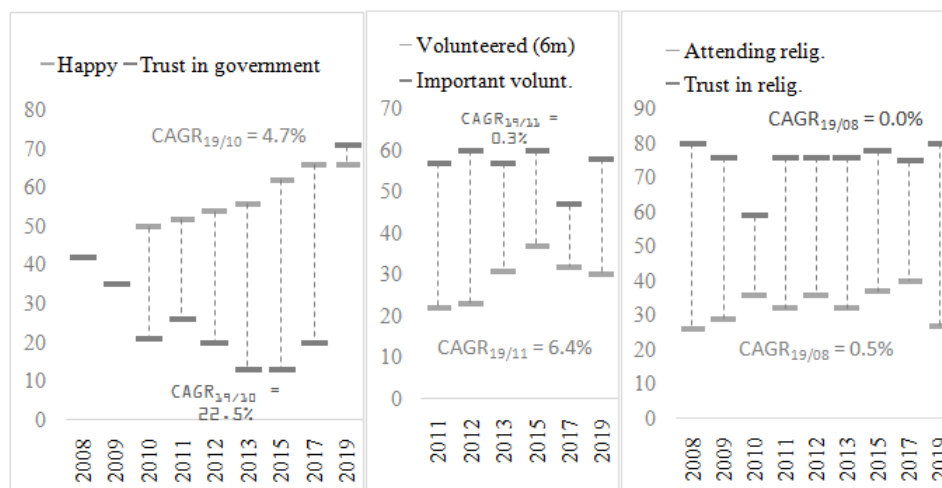
Note that performed Paired-t test<sup>1</sup> of statistical significance of the changes, most commonly used in biostatistics, is generally used, for example, to determine if a patient's condition has changed after treatment. It is also a common practice, however, to compare pairs of different groups of people with similar characteristics (Pagano and Gauvreau 2018, 260). We took the criteria of matching the respondents from 2017 and 2019 waves of the Caucasus Barometer survey with the gender, age group, place of residence, and income group indicators, as a result of which we got 135 groups with completely repeatable characteristics of the respondents, according to which we observed the changes with the weighted average of the answers. We applied the model at the significance level of  $\alpha=0.05$ . We tested the normal distribution of data by the Shapiro-Wilk test (Shapiro and Wilk 1965 in Romao 2012), as well as by observing the graphical distribution, to be more sure, taking into account that in case of a large number of observations (more than 30) the Shapiro-Wilk test may be sensitive to individual deviations (Shapiro and Wilk 1965, 610).

### SOME DETECTED ANOMALIES

Based on the results of the analysis, we noticed some anomalies, which will be discussed below. In particular, along with the growth of trust in the Government of the Republic of Armenia, more and more citizens think that it is necessary to take part in the protests (even before the military escalation). A paradoxical question arises as to whether the increase in trust in the government does not mean that the citizens will no longer take part in the protests. In fact, according to the Relative Deprivation Theory, people do not protest if they feel happy, while ever-deteriorating socio-economic conditions and political tensions eventually lead to escalating protests, leading to the so-called 'comorbidity problem', especially if specific groups are blamed for those problems (Smith, Pettigrew, and Huo 2020, 507).

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<sup>1</sup>The calculation of the formula of the 'Paired t' test is the following:  $t = \frac{\bar{d}}{S_d/\sqrt{n}}$ , where  $\bar{d}$  stands for the average of the differences in the sample,  $S_d$  stands for the standard error,  $n$  is number of observations (pairs), with the  $t_{(n-1),\alpha/2}$  and  $t_{(n-1),1-\alpha/2}$  being the critical values of two-tailed alternative (Ataharul and Abdullah 2018, 261).



**Figure 2: Dynamics of Observed Indicators for the Years With Data Availability (2008-2019)**  
(Source: Caucasus Barometer databases and authors' calculations)

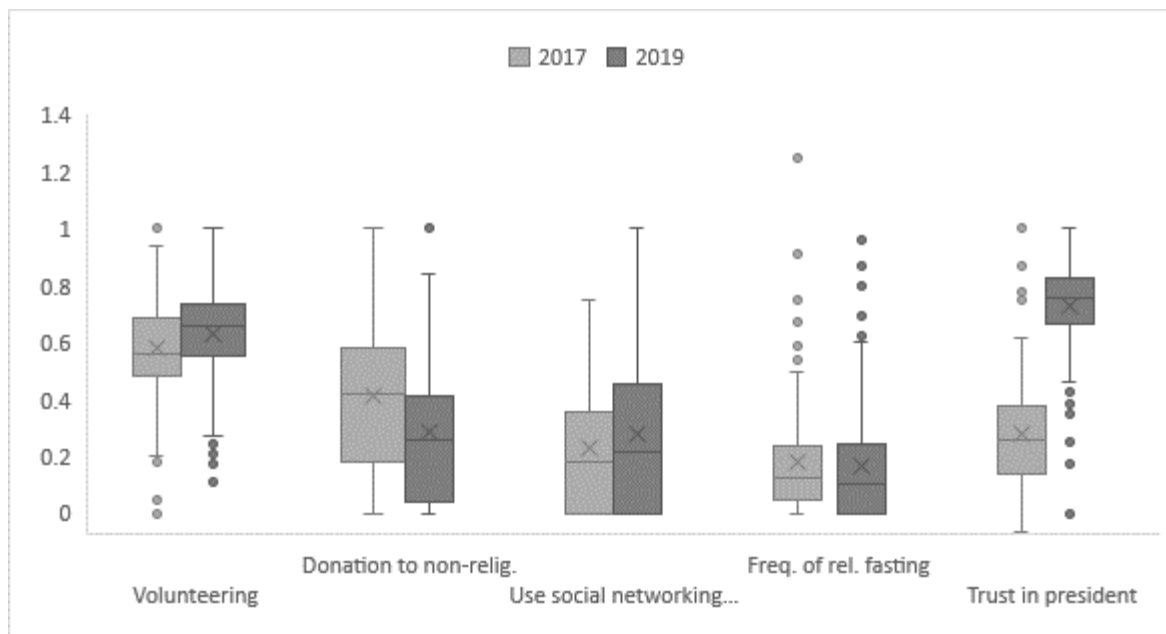
Observing the dynamics of the indicators of happiness and trust towards the Government of the Republic of Armenia, we noticed that even though the compound annual growth rate (CAGR) for 2010-19 of trust towards the government is 22.5%, that of the indicator of happiness is only 4.7%. Therefore, despite the high level of trust, having long-term stability, and happy society, it will probably necessitate tackling the socio-economic problems and securing higher incomes.

The next anomaly observed is that although the indicator of considering volunteering as an important feature of being a good citizen recorded the biggest improvement in the civic participation element, the indicator of involvement in any voluntary activity within the six months before the survey recorded a decline. There is also a very weak negative correlation between those two indicators (-0.16). It should be noted that the indicator of volunteering has been one of the weakest aspects of the RA social capital for many years, according to the results of both this and other surveys (LI 2019a).

However, as can be seen from Figure 2, the Compound Annual Growth Rate (CAGR) compared to 2011 is much higher in the case of the indicator of whether the respondent has participated in any type of volunteering work within the six months before the survey. A similar picture is also seen in the case of the importance and actual participation in election-related indicators.

According to the weighted average indicators, more people consider participation in elections important than the number of actual participants (however, there is a high positive correlation between those two indicators: 0.68). Notably, trust in institutions including informal institutions is one of the most important elements of social capital, and the latter is considered as a factor ensuring economic growth. However, the cited theory is one of the most controversial issues in various scientific

circles (e.g. political scientists, economists, and other scientific circles). As noted by Y. N. Harari (2018) religions, regardless of their justification, have a unifying feature that enables cooperation between people (p. 125). At the same time, according to some other authors, some types of religion by their nature can have unifying or divisive effects on society (hierarchical religions, e.g. Christianity or Islam, correspond to weak horizontal ties and low level of interpersonal trust in society with a correlation coefficient of 0.61 (La Porta 1997, 336 in Mailyan 2018, 98). However, lest to delve into this controversial issue, let us note that the survey we observed was conducted in February-March 2020 and in March 2020. At that period there were discouraging calls regarding visiting crowded places, especially religious institutions to prevent the spread of the Covid-19 pandemic. Paradoxically, in the case of some indicators with relatively significant changes in the weighted average value (including donations to non-religious institutions, volunteering, online activity on social networks, fasting frequency), our Paired-t test results did not confirm the statistical significance of the changes, and in the case of the indicator of trust in the president, the differences are not normally distributed.

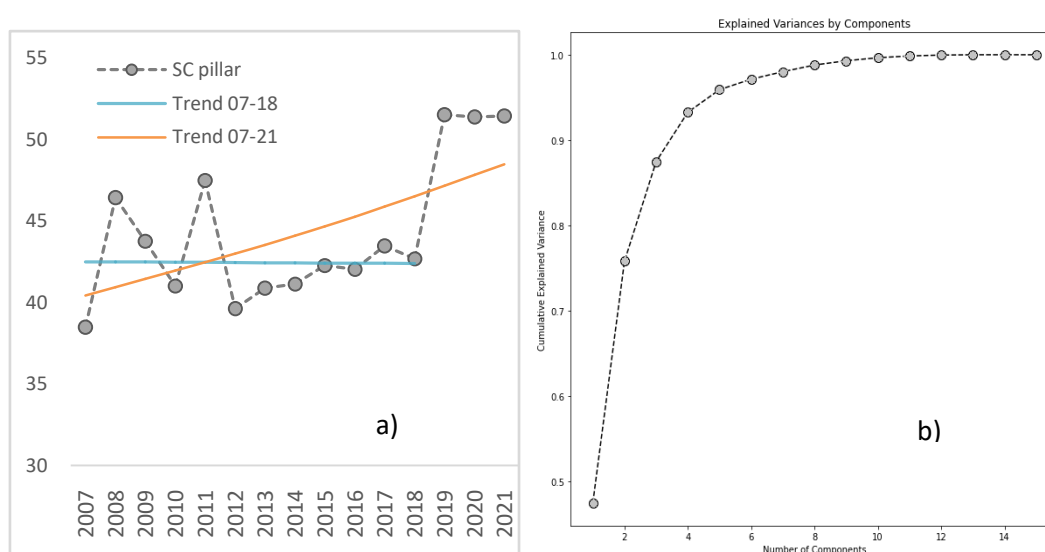


**Figure 3: Distribution of Answers to Questions with Noticeable but Statistically Insignificant Change, as well as Questions with Unsatisfactory Results for Normal Distribution (2017 and 2019) (Source: Caucasus Barometer databases and authors' calculations)**

As we can see from Figure 3, in the case of individual indicators, this can be explained by various reasons, for example, in the case of the indicator of trust in the president the reason is the presence of deviations in opposite directions.

## COMPARISON OF CAUCASUS BAROMETER SURVEY AND THE SOCIAL CAPITAL PILLAR OF GLOBAL COMPETITIVENESS REPORT

Taking into consideration that the Caucasus Barometer survey was conducted in Armenia since 2008 (every two years in recent years) and from time to time the absence of some of the questions from the questionnaire that are included in our index, let us consider the dynamics of social capital following the Global Competitiveness Report. In the latter, the social capital pillar is based on the Legatum Prosperity Index social capital pillar data, published since 2007, the results of which are presented in Figure 4.



**Figure 4: The Dynamics of the Social Capital Pillar of the Legatum Prosperity Index in RA Over 2007-2021 (a) and the Explained Variance by Principal Components of Social Capital Features (b)**  
(Source: Legatum Prosperity Index databases and authors' calculations)

According to the results of the Legatum Prosperity Index, Armenia has made significant progress in terms of social capital pillar, improving by 20.6% in 2019 versus 2018 (18.6% in 2019 versus 2017). It should also be noted that the results are in line with the changes in social capital elements based on our calculations using Caucasus Barometer results. Particularly, the most significant increase in 2019 (compared to pre-revolutionary 2017) is recorded concerning the institutional trust element (25.8%), followed by the joint element of interpersonal connections (20.6%). As for the civic participation element, even a decrease of 4.7% can be seen. Comparing the results of the two surveys for the same period, the only noticeable differences are the more significant increase in the interpersonal relations element according to the results of the

Legatum Prosperity Index versus that of the results of the Caucasus Barometer survey and the increase in volunteering, which has decreased according to the latter.

Considering the 17 indicators included in the pillar calculation, indicators with the most significant growth are ‘confidence in national government’ (from institutional trust element), ‘generalized interpersonal trust’ (from interpersonal relations element), and ‘voiced opinion to a public official’ (from institutional trust element). In the meantime, according to the results of the Principal Component Analysis (PCA) of all available data, the historically most influential indicators are ‘opportunity to make friends’, ‘helped another household’, ‘helped a stranger’, ‘confidence in the judicial system and courts’, ‘donated money to charity’ (details of the PCA analysis can be found in Table 2). Therefore, to have a stable high level of social capital, in the long run, it is worth paying attention to these elements.

**Table 2: The Results of the Principal Component Analysis (Source: Legatum Prosperity Index databases and authors’ calculations)**

Element Name	Indicator Name	Factor (Weight)	2021 Score	2019 vs. 2017	CAGR 07-21	PC1	PC2
Personal and Family Relationships	Help from family and friends when in trouble	2.0	0.67	28.2%	-21.3%	0.26	0.21
Personal and Family Relationships	Family give positive energy	1.0	0.73	0.0%	1.0%	0.33	0.10
Social Networks	Respect	2.0	0.90	-4.3%	2.7%	0.28	0.06
Social Networks	Opportunity to make friends	1.0	0.69	40.0%	13.1%	0.35	0.10
Social Networks	Helped another household	0.5	0.24	20.0%	10.4%	0.35	0.04
Interpersonal Trust	Generalized interpersonal trust	1.0	0.33	146.6%	1.4%	0.02	0.18
Interpersonal Trust	Helped a stranger	0.5	0.56	27.6%	3.2%	0.05	0.41
Institutional Trust	Confidence in local police	2.0	0.51	5.7%	2.3%	0.21	0.20
Institutional Trust	Public trust in politicians	2.0	0.37	8.4%	7.4%	0.33	0.17
Institutional Trust	Confidence in financial institutions and banks	1.0	0.52	0.0%	1.5%	0.07	0.35
Institutional Trust	Confidence in judicial system and courts	1.0	0.37	26.1%	1.4%	0.00	0.42

<b>Institutional Trust</b>	Confidence in national government	1.0	0.63	376.9%	5.3%	0.18	0.33
<b>Institutional Trust</b>	Confidence in military	0.5	0.88	7.5%	1.6%	0.15	0.34
<b>Civic and Social Participation</b>	Donated money to charity	1.5	0.16	16.7%	9.4%	0.34	0.06
<b>Civic and Social Participation</b>	Voter turnout	1.5	0.39	-28.3%	-2.0%	0.28	0.15
<b>Civic and Social Participation</b>	Volunteering	1.0	0.14	75.0%	-8.7%	0.26	0.23
<b>Civic and Social Participation</b>	Voiced opinion to a public official	0.5	0.15	150.0%	-6.3%	0.15	0.23

Here we used PCA<sup>2</sup> to find the most important elements (the most informative) of the social capital pillar for the RA to pay more attention to. As we see from Figure 4 (b), the first two principal components explain more than 70% of the original variance, so we should look at the weights of pillar elements in these two components (top variance weights are green highlighted in Table 2).

## SOCIAL CAPITAL IN POST-WAR ARMENIA AND THE CHANGING WORLD

It is no secret that the world is now in a period of rapid changes and fluctuations: the threat of comprehensive wars in recent years, the gradual weakening of the ideology of liberalism that has prevailed for decades, the escalating tensions between the superpowers, as well as the spread of the global pandemic. These are all factors that affect social capital globally, mostly in a negative direction. Among the above, if we consider social capital for a concrete country, in our opinion, from the point of view of unexpectedness and speed of impact, the spread of the pandemic is especially important.

In scientific and public circles, scholars currently actively talk about the expected global transformations in terms of values and dominant approaches caused by the spread of Covid-19. In this regard, many works on the idea of social capital, which play a key role during and after pandemics, have already been published by behavioral

<sup>2</sup> Principal Component Analysis is a dimension reduction technique serving different purposes and generally used to sufficiently explain m-dimensional process by smaller k principal components and thus reduce a higher dimension problem to one with fewer dimensions (Wei 2019). The process consists of following steps including centering the original dataset by subtracting the mean from each data point, dividing by the standard deviation to make the data unit free, computing eigen values and eigenvectors (arrows) of the data covariance matrix (ellipse), projecting data onto the principal subspace, undoing the standardization and moving projected data back into the original data space. The idea under principal components is finding the ones with the maximum variance (containing more information).



scientists, representatives of social capital theory, and other scientists. Some of these works refer to the closeness of personal network connections element of social capital as a factor that increases the risk of spreading the infection through close contact (Bartscher *et al.* 2020; Borgonovi, Andrieu, and Subramanian 2020; Isayan 2020). The other part of the work focuses on the trust element of social capital as a factor of positive impact in the long run, as well as in terms of its expected decline due to the pandemic (Antinyan *et al.* 2020; Aassve *et al.* 2020). In this context, the factor of trust in the government is particularly discussed in terms of ensuring compliance with anti-pandemic rules, for the society to not panic, etc. (Doganoglu and Ozdenoren 2020; Rieger and Wang 2020). For example, according, to one study on this topic, the higher the trust in the health care system, the greater the likelihood of developing a tendency to seek medical attention at the onset of symptoms (Antinyan *et al.* 2020, 1).

Note that in the case of the Republic of Armenia, the indicator of trust in the healthcare system exceeds the average of the institutional trust element of the index but lags behind the trust in many other institutions and it has not recorded statistically significant progress.

Aassve *et al.*, studying the changes in the relations between countries and people before and after the Spanish flu, report that as a result of the pandemic, due to the general suspicion, civil society has experienced a serious split. According to the results of the study, the increase in the number of deaths per thousand people during the Spanish flu has led to a decrease in the level of trust by 1.4 percentage points. In particular, such loss of social trust has hindered economic growth for decades after the Spanish flu (Aassve *et al.* 2020). Behavioral research, in its turn, argues that patience and social responsibility increase the level of social readiness, while risk-tolerant preference harms crowd avoidance behavior, and present-biased preference is expressed by panic shopping (Müller and Rau 2020).

On the other hand, international experts warn of possible isolation in international relations and a weakening in the level of cooperation (Tadevosyan 2020). It should also be noted, however, that all these contribute to the strengthening of the bonding social capital (inside the group), not the bridging social capital (between groups), which can even be dangerous in terms of thwarting society and leading to civil wars.


A study of WWII (conducted in 35 countries and involving 35,000 individuals) shows that in the long run, war victims' political confidence declined, collective action was encouraged, and it was more of a 'dark' action due to the destruction of trust in the state. The personal or family impact of war violence has left a negative, lasting mark on the level of political trust throughout Europe and Central Asia, regardless of the outcome or nature of the conflict. At the same time, the impact on trust is stable for generations, leading to an increased risk of conflicts and 'conflict traps' in a given society (Grosjean 2019).



Social capital can easily degenerate into disrupting social cohesion, dividing society for individual and group interests, possibly leading to violent conflicts, so the close ties and associations in the society can also be used for negative purposes: by the current government in terms of strengthening its position, by groups pursuing different goals for criminal or political purposes (Acemoglu *et al.* 2013).

## CONCLUSION

The results of the analysis showed that a significant increase in the level of social capital was recorded in post-revolutionary Armenia, which is mainly due to the progress on the element of institutional trust. Indeed, the progress is statistically significant according to the Paired-t test results and is in line with the social capital pillar of the Global Competitiveness Report. This capital factor, which is considered by some authors as a factor of economic growth, becomes much more important especially taking into account the local and global challenges that contributed to its reduction. In addition, the anomalies revealed in this analysis may gradually lower the index. So it is necessary for the current (or the next) Government of the Republic of Armenia to take all possible measures to maintain (or to recreate) these positive achievements. One way to do this is to keep the historically most important elements of the RA social capital index in the center of attention.

Finally, we showed that although the close ties and associations in the society can also be used for negative purposes, their absence generally complicates the realization of any common goal. Given that in post-war societies people have a growing tendency to unite in different groups or to unite around an idea, it becomes extremely important to simply direct and control the flow of generated energy in the right direction. 

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# THE IMPACT OF DEMOGRAPHIC FACTORS ON CONSUMER PURCHASING PREFERENCES IN DEVELOPING COUNTRIES: EMPIRICAL EVIDENCE FROM KOSOVO

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**Abstract:** *This paper analyses the role and the level of impact that different demographic factors have on buying preferences during the selection process between local and imported goods in developing and emerging economies, with a specific focus on the Kosovo region. A total of 630 questionnaires were distributed, from which 536 valid responses and an empirical study is applied to test the hypothesis. A probability sample (randomly selected), which was stratified by seven regions throughout the country was applied, by covering all levels of the society, cultural background, different locations (urban and rural), different levels of education, and income. Some of the respondents have shown a preference for imported goods and were willing to pay a price premium for it based on the quality offered by top producers (around 41.79%). Whereas, 58.21% of respondents prefer local products. It is proven that there is a correlation between demographic factors and buying preferences process when deciding between local and imported products. Whereas, price is considered as the main factor in the buying process in developing countries, due to the low income, whereas the level of imported products depends on the country's ability to fulfill the local needs with local products.*

**Keywords:** *Local; Imported; Behavior; Purchasing; Advantages; Covid-19; Pandemic*

## INTRODUCTION

Several research studies have treated the consumer buying decision and the values that impact customer behavior (Ayob and Hussain 2016; Potluri and Johnson 2020). Globalization is considered to have influenced the mindset of customers by allowing them to have access to different products that were not available for them in the past; hence, it offers economic prosperity and a possibility of accessing other markets (Ahmeti 2015). However, for many, it has been a devastating struggle for survival as globalization has also enabled other goods to flow within local markets and this is more evident in developing countries where the local producers are not fully prepared to compete with big companies. It is also commented on the promotion of

local goods by policymakers and their efforts to promote the idea of benefits that locally produced goods have for economic development. Additionally, the consumption of local products and services has a direct impact on the country's development and also impacts on the economic growth and decrease of unemployment, and creating a chain impact by increasing demands in different local industries (Monacelli and Perotti 2010).

As highlighted by Ayob and Hussain (2016), at the individual level, it is influenced by both intrinsic and extrinsic cues. Regarding the impact on buying decision, several elements are considered to directly affect the customer's decision are divided into physical and non-physical factors, i.e. durability, quality, performance, value, and a *Made-in* label (Aqueveque 2006; Wang *et al.* 2019).

Based on the conceptualization of main parties, government institutions, and individual requirements and needs, this paper tends to supplementary comprehend ex-ante buying results between low-income customers in developing countries. Above all, these study objectives are to profile buying habits of Kosovo's population; as an illustration for developing countries. The hypothetical arguments are constructed on the comparative benefit of emerging economies that are present in the region, by identifying and elaborating the most important product features that directly impact customer decision and are taken into consideration by the local population when making a buying decision. The incorporation of knowledge seen from different scopes outlines the contribution of this study. Data was gathered from different randomly selected participants, which live in Kosovo and are active in the market as customers. There are different demographic, cultural, educational, working, and behavior backgrounds and as such, they provide an overall picture of the buying habits of goods in developing countries; thus, providing empirical originality to the general literature in different fields and can also represent several countries in the region that have a similar background, economies, and history.

## LITERATURE REVIEW

It all started as a simple local infection and it resulted in the biggest and hardest pandemic that the world has faced, for which the world was not prepared. As it was declared a global pandemic in January 2020 by the WHO (Abodunrin *et al.* 2020), no one was prepared to be isolated and what restrictions are needed to fight the Covid-19 in both aspects, health and economically (Sikder *et al.* 2020). No one has ever thought that the entire world could be closed, shut down. The Covid-19 pandemic has shown that it is possible, although no country was ready for that, in this regard it was evident that no economy can last long and stand alone. Even countries that are considered as the most developed economies in the globe hardly managed to keep their economies going and have struggled to adapt to the new situation created by the lockdown and pandemic (Gurtner 2010).



The pandemic has been shown to have an eminent and radical impact in all aspects all over the world, without any exclusion. Health was and it still is something that experts are worried about, as no one is secure from Covid-19; furthermore, the impact on the global economy was instant and unpredictable, and it will need a long time until it recovers. It has been reported that only during the year 2020, the global GDP was decreased by 3.6%; whereas, the volume of global trade decreased by 5.3%, and the Foreign Direct Investments (FDI), which are crucial for developing and emerging economies, were drastically reduced by 42% (Zhang 2021). One of the indicators that affected the economic decline was the challenges that were in the supply chains, which were mostly disrupted (Baldwin and Freeman 2020), worldwide trade, and production disruption (Chen *et al.* 2021).

In this regard, the most affected were the developing countries due to their vulnerable economies and incapability to replace all commodities and products that were imported, which represents the majority of the world. As noted by Barnett-Howell *et al.* (2021), developing countries are facing the pandemic differently from developed countries, and how they are facing and dealing with the Covid-19 pandemic. The entire world economy is struggling for manpower due to the issues with lockdown and infections, as also noted by Laborde *et al.* (2021), the damaged supply chain have additionally damaged the economic development as nothing was moving, which had and still has a direct impact on superseded for production. Facing a new chaotic and unknown situation, governments seek to provide support to local producers to create a more reliable local economy, through which the dependence on imported products will be lower. As noted by Laborde *et al.* (2021), due to missing supplies and broken supply channels, logistics was facing a hard time to manage missing supply surge, it was evident that the panic was felt for supply shortage, especially for food shortage.

Marketing and strategic management literature suggest that in many developing countries imported products are considered as superior compared to the local products, as it is assumed that products coming from countries with advanced economies are considered as products with high values and quality, which also represent the warranty of the country-of-origin (Kaynak *et al.* 2000). Further, whereas producers in developing countries have implied other strategies and see it as an advantage by creating low-cost goods; hence, the perception and buying decision process of customers is based and shaped on those global understandings. Many studies have reported that individual perceptions regarding the product, customers are ready to spend more based on the quality perception that the product from a developed country may and can offer and therefore it is more expensive; whereas, price-focused customers can purchase locally in their local market (in case of developing countries) and that is considered less expensive and as such also with lower quality (Ayob and Hussain 2016; Potluri and Johnson 2020). As further highlighted by Hamzaoui-Essoussi *et al.* (2011), micro and macro factors of the region, where customers are active, directly influence the decision as for which



category of products clients decide. It is evident in the past 2 years that there are no sustainable customer behaviors due to the developments that have occurred regarding the pandemic and the impact from other actors that have changed the roles (Elhoush and Lanzini 2020). As further noted by Elhoush and Lanzini (2020), it is assumed that developing countries and emerging economies are lean towards the imitation of their behaviors to those in developed countries. Yet, it is noted that sustainable consumer behavior includes a complex pattern of social matters and personal norms, which enable a better understanding and explanation by extending the customary philosophy of planned consumer behavior (Hosta and Zabkar 201). Not only the present is impacted by the Covid-19 pandemic, but even new generations are also created and they are developing a new conceptual framework of customer behavior, which is shifting even further the traditional consumer habits by making them even more unpredictable in their requests and needs (Zwanka and Buff 2020).

Country-of-origin has shown to be a very important element in buying decision process at the individual level. As noted by Potluri and Johnson (2020), many countries have attempted to use the situation with the issues in the supply chain and replace the foreign products, which are usually highly demanded, with local products. However, having in mind the possibility to produce, technology, know-how, and responsibility together with strict quality control of the quality of products produces by local companies in developing countries, is seen as a lack of proper institutions that way make proper control and guaranty for consumers. The quality issue was also evident during this research and was considered by respondents as the main element in the buying process. The purpose of the study is an analysis of the customer behavior identifies the preferences of individuals and identifies elements that affect the decision-making process when selecting between locally produced and imported goods. Additionally, the intention is also to see why (if) they believe that goods that they decide to purchase are considered a better solution, is there a price issue, quality, or overall institutional (un)trust of entities that should guarantee the control of products. The main demographic factors are analyzed their correlation is tested and their impact on buying-preferences of Kosovo's population.

Gender - As noted by Vijaya *et al.* (2017), gender is considered an important factor in the buying decision process. In this regard, it is a more evident fact that men and women have a slightly different perception of the local vs. imported goods and how they see the country of origin or who stands behind the quality assurance of those goods. As the majority of respondents were male, it is not possible to create any sustainable elaboration compared with females. In this regard, a new study is required to measure the buying habits based on gender, as the sample should be better divided to have a more significant outcome.

Age - Slabá (2020) noted that there is a clear division between the generations and how they see local and imported goods. Many authors have highlighted there is a

clear difference among generations and how they make the buying decisions, such as memories for specific products, cultural impact as there is a difference in cultural behavior among generations, patriotic background, etc.

**Education Level** - According to Sorana and Mityko (2012), education level plays a crucial role in the buying decision process. As further stressed by the author, the higher the education levels the more information regarding different products customers have and on the available products; hence, they make a more informed buying decision. Within this, education may be seen as an important element on how the different levels of education may have affected individuals in the buying decision process.

**Earnings** - Due to the price difference and the level of income in developing and developed countries, the customer income level is considered as an important factor, as it has a direct impact on the buying-decision process (Mehra and Singh 2016).

**Influences on Buying Decisions** - Several factors may have a direct or indirect impact on buying decisions. As emphasized by Ayob and Hussain (2016), the most important factors are price, brand, or country-of-origin, and another important element that is specific for emerging economies is also family, as they are more closed and more traditional on any decision (Ayob and Hussain 2017).

Another important element is also the brand or the country-of-origin (COO) of products (Godey *et al.* 2016). However, the information about the product must be available for potential buyers regarding the products in the market. It is highlighted by Kaynak *et al.* (2000) that family plays an important role in buying decisions especially in developing countries, where families have a more traditional and conservative culture. In this regard, 3 sub hypotheses are developed and proposed to test as complementary for the fourth hypothesis.

Following the elaboration of each demographic factor and their importance on the buying preference of local customers, the following hypotheses are developed and tested:

**H1:** There is an association between customer age and the choice between local and imported goods.

**H2:** There is a connotation among the education level and the choice between local and imported goods.

**H3:** There is a correlation between income level the choice between local and imported goods.

**H4:** Customer's decisions on buying decision process are impacted by outside factors.

**H4a:** Price cognizant consumers are more likely to buy local products.

**H4b:** Quality and the COO cognizant consumers are more likely to buy imported products.

**H4c:** Family influences the decisions-buying process when selecting local or imported products.

## METHODOLOGY

As this research intends to analyze and measure the impact of demographic factors that have a significant impact on the buying preferences of individual clients when it comes to deciding between the locally produced and imported products, the targeted population involves residents living in Kosovo. Hence, the presented result of this study can be considered as more accurate and the generalization of the same is possible for the targeted residents.

For this research, a questionnaire is developed containing all the questions that will enable the researcher to develop a sustainable and significant output, where along with usual questions regarding their demographic characteristics, questionnaire offer to respondents the possibility to give answers for specific questions were also included, which will provide information to test the hypotheses. There were several sources based on the contemporary literature used to develop questions, which asked respondents about their buying-decision process and their opinions regarding the choice between Local products and imported products. Further, the questionnaire regarding the buying habits of individuals in Kosovo and characteristics were included to determine what influences their attitudes towards purchasing local or imported products. Respondents were asked also about their readiness to pay more for quality, or are price-centric, and also what is their main reason for purchasing local or imported goods. Additional information that was not part of the questionnaire but was mentioned often is the quality assurance of local goods by the respective governmental institutions. This should be another issue that should be treated in the future.

A total of 630 questionnaires were distributed. Having in mind that Kosovo is a small country, and the issue with the Covid-19 pandemic that is imposing radical restrictions on movement and social contact, it was impossible to make a wider inclusion of respondents. For the present study, there was a rigorous evaluation of returned questionnaires, and were evaluated if they have all needed (mandatory) information and were accepted for developing the results. In total, 536 valid responses were used for this study. The area of this research is Kosovo. All seven regions are included, where both, urban and rural, areas were included. As emphasized by Saunders *et al.* (2009), there are 2 major types of sampling methods, probability, and non-probability samples.

As further noted by Gravetter and Forzano (2015), the sample is considered accurate and reliable if it offers the same opportunity to each member (individuals) in the region that is intended to be studied. Furthermore, according to Gravetter and Forzano (2015), a good sample should offer all individuals equal opportunity to participate and the research sample method should be neutral and adequate in size so that the results are reliable (Gravetter and Forzano 2015).

In this regard, for this study, it was applied the probability samples (randomly selected), were stratified by seven regions throughout Kosovo. Stratification has taken into the consideration the population size from each of the seven regions, which would be accepted to develop appropriate and reliable representative data (Verma and Verma 2020). To have more reliable data, a population of more than 18 years is selected and considered to be part of the research, as they can provide their own opinion regarding the buying decisions and are potentially either working or studying and this gives them a free choice on that process.

## RESULTS

Aiming to encounter the objectives and hypothesis testing, respondents were asked if they are ready to give information regarding their habits on buying preferences between Local and Imported products within the local market where they are active.

Firstly, demographic data was asked from respondents and then the opportunity to express their preferences regarding the decision that they make and what and how that decision is or may be affected and their impact on their decision. Also, the questionnaire was developed to provide other factors that stimulate respondents to decide between local and/or imported products. Furthermore, the study tends to understand the current trends correlated regarding the buying habits and preferences for local and imported goods in developing countries. The demographic information of the sample is shown in Table 1, where N is the number of respondents to each question.

**Table 1: Demographic Information of Participants (Source: Author's depiction)**

Category	N	Percent
<i>Gender</i>		
Female	190	35%
Male	346	65%
<i>Age</i>		
18-30	180	34%
31-40	178	33%
41-50	72	13%
51-65	44	8%
65+	62	12%
<i>Education</i>		
Primary	98	18%
Secondary	172	32%
University	266	50%
<i>Income</i>		
<200 €	160	30%

200-500 €	176	33%
500-1000 €	110	21%
>1000 €	90	17%

As there was explained above in the sample part, respondents were selected randomly as they all are in one or another way are buyers and make (directly or indirectly) decisions regarding buying preferences. Also, they are participating and influencing the buying decision within their living environment, regardless if they make them as a family, individually, or as a community (Flavián *et al.* 2006).

As shown in Table 2, the majority of respondents (58.21%) have reported that they buy local products compared to 41.79% of residents that have reported that they prefer imported goods. It is also interesting to mention that the preference is not based only on price, which is seen in many studies as the main factor in buying-decision between local and imported products, but this study has revealed that several other indicators influence the preference of the buyer.

Table 2: Respondents Participating in Kosovo's Market (Source: Author's depiction)

Variable	Description	All Respondents	
		Frequency	Percent
Consumer Preference	Local Products	312	58.21%
	Imported Products	224	41.79%

As revealed by respondents 'imported' does not necessarily mean from other developed countries or only a quality product. There are countries, such as Albania, North Macedonia, and Serbia that by many aren't considered as foreign countries, as they consume the same products for many decades before Yugoslavia has split into 7 new countries. In this regard, on several occasions, respondents have reported that they prefer imported goods, but they have also mentioned that they don't consider it as a foreign product. Another important element that was evident regarding the imported products and the quality that they represent, is that many products from China and other Asian regions are cheaper but don't represent the quality. Regardless, the study treats all products that are not produced within Kosovo, as foreign products.

Table 3 shows the age of respondents is divided into 5 major groups to cover all preferences within different generations and probably, within different personal stubs that they have within their living environment. The 18-30 years of age group is represented by 34% of total respondents, and 31-40 years of age group which make up 33%, followed by 41-50 years of age group with 13%, 51-60 years of age group with 8%, and 60+ years of age group with 12% of the total respondents.

**Table 3: Age and Buying Preferences (Source: Author's depiction)**

Variable	Description	All Respondents		Imported Products		Local Products	
		<i>Frequency</i>	<i>Percent</i>	<i>Frequency</i>	<i>Percent</i>	<i>Frequency</i>	<i>Percent</i>
<b>Age</b>	18-30	180	34%	64	29%	116	37%
	31-40	178	33%	100	45%	78	25%
	41-50	72	13%	24	11%	48	15%
	51-60	44	8%	12	5%	32	10%
	60+	62	12%	24	11%	38	12%

As shown in the groups that are in favor of buying local products are 18-30 years of age group, whereas the 31-40 years of age group prefers the imported goods. The explanation is given comparing different age groups from the total number of respondents. However, to present performance that is within each group, it is imperative to elaborate buying habits of each of them. Table 3 highlights the preference within each group. As shown in Table 3, the group between 18-30 years of age prefers 64% of local goods compared to 36% of imported goods. The group between 31-40 years of age is the only group that has higher preferences for imported (56%) compared to the local products (44%), which is based on their buying power and the level of income. 41-50 years of age group is the second-highest group preferring local (67%) compared to imported (33%) goods. The group that is still highly connected (mainly emotionally) with many products from the past, which are produced locally, is the 51-60 years of age group. And followed by the 60+ years of age group that is also linked to local goods (61%) compared to those imported goods (39%).

**Table 4: Education and Buying Preferences (Source: Author's depiction)**

Variable	Description	All Respondents		Imported Products		Local Products	
		<i>Frequency</i>	<i>%</i>	<i>Frequency</i>	<i>%</i>	<i>Frequency</i>	<i>%</i>
<b>Education</b>	Primary	98	18%	30	13%	68	22%
	Secondary	172	32%	58	26%	114	37%
	University	266	50%	136	61%	130	42%

The level of education for all respondents is presented in Table 4. The highest number of participants is with higher education, mainly university students and also employees that were ready to respond to our questions. The group with the highest level of education prefers more imported products (61%) compared to other groups that prepare mainly local products, secondary education, and primary education.

When elaborating individuals within each group, it is evident that the respondents within the groups that have primary education and secondary education

level, tend more on buying local products with 69% and 66%. Whereas, individuals within the group with higher education are in favor of buying the imported products with 51% compared to 49% for local products.

**Table 5: Monthly Income and Buying Preferences (Source: Author's depiction)**

Variable	Description	All Respondents		Imported Products		Local Products	
		<i>Frequency</i>	<i>%</i>	<i>Frequency</i>	<i>%</i>	<i>Frequency</i>	<i>%</i>
Monthly Income	<200 €	160	30%	44	20%	116	37%
	200-500 €	176	33%	70	31%	106	34%
	500-1000 €	110	21%	54	24%	56	18%
	>1000 €	90	17%	56	25%	34	11%

In Table 6, we can see that the majority of respondents fall in the group with income between 200-500 Euros with 33% and within the group that earns less than 200 Euros with 30% of total respondents' part of this study are the main group of respondents with 29.2%.

**Table 6: Influences on Buying-Decision (Source: Author's depiction)**

Variable	Description	All Respondents		Imported Products		Local Products	
		<i>Frequency</i>	<i>Percent</i>	<i>Frequency</i>	<i>Percent</i>	<i>Frequency</i>	<i>Percent</i>
Influences	COO	74	14%	50	22%	24	8%
	Family	154	29%	62	28%	92	29%
	Price	308	57%	112	50%	196	63%

Another element that is seen as important and has an enormous influence on the buying decision process is the influence factor. In pre-testing of the questionnaire, many have claimed that their buying decision is influenced by several factors that are not in their power to change, and from those, 3 were selected and included in the final questionnaire. As shown in Table 6, price is considered the main factor that influences buying decisions when it comes to local or imported products with 57%, followed by the family with 29%, and finally, the COO with 14%. It is evident that in developing countries the price is the main factor as the income level is much lower than in developed countries, where the imported prices are sane.

To test the correlation between different factors and the buying preferences between local and imported products the Chi-Square Test was applied, which details are presented in Table 7.



**Table 7: Chi-Square Tests (Source: Author's depiction)**

Variable	Pearson Chi-Square Value	Df	Asymp. Sig. (2-Sided)
Age	24.198	4	0.0000729
Education	19.172	2	0.0000687
Monthly Income	31.581	3	0.0000006
Influences on Buying Decisions	24.090	2	0.0000059

## DISCUSSION

To test if the data presented in the tables above confirm the presented hypothesis, three statistical tests. The results of the test applied to test each hypothesis are presented in Table 8 and the status for each hypothesis is scattered throughout three statistical tests used for testing hypotheses. Although, the gender variable was part of the questionnaire and respondents have given responses to all questions related to buying habits, as the majority of respondents were male, it is not possible to create any sustainable elaboration compared with females. In this regard, a new study is required to measure the buying habits based on gender, as the sample should represent equally both genders to have a more significant outcome. Therefore, it was not proven that the hypothesis was related to gender and as such couldn't be tested.

**Table 8: Hypotheses Table (Source: Author's depiction)**

Hypotheses		Chi-Square Tests
<b>H1:</b>	There is an association between customer age and the choice between local and imported goods	Supported
<b>H2:</b>	There is a connotation among the education level and the choice between local and imported goods	Supported
<b>H3:</b>	There is a correlation between income level the choice between local and imported goods	Supported
<b>H4a</b>	Price cognizant consumers are more likely to buy local products	Supported
<b>H4b</b>	Quality and the COO cognizant consumers are more likely to buy imported products.	Supported
<b>H4c</b>	Family influences the decisions-buying process when selecting local or imported products.	Supported

**H1** states that: there is a correlation between customer age and the choice between local and imported goods. Based on the Chi-Square test (Value=24.198, Df=4, and Sig.<0.05) from Table 7 for H1, it is supported that there is a correlation between customer age and their preference for local and/or imported goods. Hence, hypothesis H1 is supported (see Table 8). Although the hypothesis confirms that buying preference is affected and influenced based on the customer age, the study provides evidence from



Kosovo, and as such it may be applicable in the neighboring countries with similar backgrounds and history and also in developing and emerging countries. However, it couldn't be confirmed for developed countries as they have different markets and standards. Findings from this study are similar to findings of other authors (Slabá 2020) that have provided research evidence from emerging countries.

**H2** states that: there is a link between the education level and the choice between local and imported goods. According to the data for H2 in Table 7, the Chi-Square test (Value=19.172, Df=2 and Sig.<0.05), the hypothesis H2 is supported and the relation between education level and buying preferences is confirmed. Based on the data presented in Table 7, there is a trend that proves that as the education level decreases to a certain level, there are other issues that may influence their preference during the buying-decision process. It has been proven that other factors (i.e. family, culture, politics, etc.) are present in developing countries, and as such, it is also in the Kosovo region. The same was also reported by Sorana and Mityko (2012), who claimed that the education level and the individual buying preferences of customers are correlated.

**H3** states that: there is a correlation between income level the choice between local and imported goods. As shown in the Chi-Square test Table 7 (Value=31.581, Df=3, and Sig.<0.05), hypothesis H3 is also confirmed and supported. It is imperative to mention that the income allows customers a wider selection option and that is evident in many developing countries, as quality is usually presented with a higher price (usual products from developed countries), whereas the cheap products are considered to have lower quality and are usually local products (Ayob and Hussain 2016).

For hypothesis **H4**, 3 different elements are set to be measured to have a more reliable result. In the pre-test, it was clear that it isn't sufficient to measure only influence (from outside) in the buying process. It has been revealed that 3 major factors have the most impact when it comes to influence that is behind the customer's possibilities to impact. Hence, the following sub-hypothesis were developed: H4a - price cognizant consumers are more likely to buy local products, H4b - quality and the COO cognizant consumers are more likely to buy imported products, H4c - family influences the decisions-buying process when selecting local or imported products.

As shown in Table 7, the Influence is seen as important especially in more traditional (conservative) families, where the decision on what is bought is more conservative and is mainly made by the elderly family members. The correlation between the Influence of the 3 identified factors and buying preference of individuals in Kosovo, is confirmed by the Chi-Square test (Value=24.090, Df=2, and Sig.<0.05). This was also noted by Kaynak *et al.* (2000) and Godey *et al.* (2012), that there is a correlation between education level and the individual buying preferences of customers, especially in developing countries.

## CONCLUSION

The choice between local and imported goods is a challenge in developing countries due to many factors that may impose the choice for many individuals. Many factors determine the buying-process flow and even some factors are so impactful that may dominate the result of the buying process. As many developing countries and emerging economies are not able to fulfill the needs of their local population with goods and services, imported goods are becoming a standard in both versions, as a cheap solution and also in the case of the COO with higher values and quality. Kosovo is no exception and is part of those emerging economies that is not so well at producing their goods, rather the majority is covered through imports from neighboring countries. As a result, understanding customer purchasing habits and identifying elements that may influence that process is essential.

The results have shown that many companies from developing countries and neighboring countries are seeking to market their products in Kosovo's market, although they may have similar socio-economic, technological, and overall economic development compared to Kosovo. The study has shown that the COO is one of the most important factors influencing the local population's preferences. The study has discovered that were available in the market originating from developed countries are perceived to be associated with higher quality and the customers that have higher income are willing to pay the quality price. Whereas, on the contrary, locally produced and offered products are perceived to be less qualitative and it is expected that the price should be a direct indicator. As confirmed by the study, the quality perception for local products is related to cheap and low-quality. There are certain managerial implications of these findings. To be more competitive, local producers should focus to develop more qualitative products and increase customer awareness on the quality, rather than seeking low-income customers, as shown in the study.

The research has proven that the Covid-19 pandemic changed the ability to distribute goods and changed the overall manner of customers buying patterns, where some have been forced to shift from imported to local goods. Moreover, referring to marketing strategies, this situation should be used by local companies to develop a more comprehensive promotional strategy to inform local (potential) buyers of the benefits of locally produced goods. This would enable customers to gain more information and be convinced of the quality and benefits of local goods; hence, companies should strive to gain new market shares. Nevertheless, some of the research faces some limitations.

First, the sample size is rather limited due to the Covid-19 pandemic and the testing does not include the differences based on ethnicity or religion, and the non-income consumer groups are rather individuals that have indirect income through their family members.

Another issue was the gender variable; although it was part of the questionnaire and respondents have given responses to all questions related to buying habits, as the majority of respondents were male, it is not possible to create any sustainable elaboration compared with females. In this regard, a new study is required to measure the buying habits based on gender, as the sample should represent equally both genders to have a more significant outcome. 🌐

## COMPLIANCE WITH ETHICAL STANDARDS

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### Statement of human rights:

All procedures performed in studies involving human participants were following the ethical standards of the institutional and/or national research committee and with the Declaration of Helsinki and its later amendments or comparable ethical standards.

### Statement on the welfare of animals:

This article does not contain any studies with animals performed by any of the authors.

### Informed consent:

Not applicable.

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# SMALL STATE DILEMMA: CAMBODIA BETWEEN THE ASEAN AND CHINA IN THE INDO-PACIFIC CONTEXT

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**Abstract:** *As a small state, Cambodia viewed the ASEAN and China as almost equally important pillars of its foreign policy. Amid the intense strategic competition in the Indo-Pacific, Cambodia faced the dilemma of how to maintain the ASEAN centrality without diplomatic cost to its key ally China, and how to balance its national interest with regional interest. In this context, the article aimed to explain the importance of the ASEAN as a cornerstone of Cambodia's foreign policy, examine the motivations of Cambodia's deep political embrace of the Asian giant, and underline its implications for the Indo-Pacific from the lens of small state foreign policy. The article was based on qualitative, empirical analysis that comprises primary and secondary data pertinent to the current topic. The article concluded that Cambodia leaned more towards China than it did towards the ASEAN, thus weakening its centrality in driving the broader regional architecture and that domestic politics was the primary driving force of Cambodia's foreign policy towards that direction. At this juncture, Cambodia should step back from the present degree of its strategic engagement with China and look for ways to diversify its relations with other major powers while getting back on the democratic path and upholding human rights.*

**Keywords:** ASEAN; Cambodia's Foreign Policy; China's Influence; Indo-Pacific; Small States

## INTRODUCTION

The powershift and increasing strategic contestation and rivalry between great powers have led to regional uncertainty and volatility. The relative decline of US supremacy and the rise of China and India in Asia have led to rapid change in the global power structure that directly impacts Southeast Asian states. The Association of Southeast Asian Nations (ASEAN) faces a formidable challenge in preserving internal coherence and unity in the highly contested era of great power politics. The Sino-American geostrategic competition forces its Member States to pick sides, especially in critical regional issues such as the maritime disputes in the South China Sea (SCS) in which China played 'divide and rule' tactics. As one of the region's small and least developed countries heavily dependent on China for political backing and economic opportunities, Cambodia finds itself in a dilemma of upholding the ASEAN centrality



without diplomatic cost to its key ally Beijing. The ASEAN and China are almost equally important in Cambodia's foreign policy. Anyhow, Cambodia's deep political embrace of China has caused regional concerns that the former has to beholden to Beijing's strategic interests at the expense of regional interests. The internal discord also poses a significant concern for the grouping's future to maintain its centrality in shaping the wider regional architecture in the Indo-Pacific.

Against this backdrop, the article sheds light on Cambodia's foreign policy amid geopolitical rivalry in the evolving Indo-Pacific regional order and its domestic political challenges compounded with Western pressure to enhance human rights and democracy. It explains that the ASEAN is a cornerstone of Cambodia's foreign policy. The regional bloc provides Cambodia with a diplomatic platform to the outside world, a security shelter, an equal status with other larger players, and a driver of economic development and diversification. The article highlights four principal motivations for Phnom Penh's deep political embrace of Beijing, including balancing its neighbors, ASEAN's limited role as a security shelter, economic dependence, and, most importantly, regime survival in the environment of neopatrimonialism and dynastic politics. Moreover, it explains the dilemma Phnom Penh has faced in managing its relations with Beijing without undermining the interests of the ASEAN fellow members.

Based on empirical analysis, the article aims to examine the implications of China's growing influence on Cambodia's foreign policy on the ASEAN centrality in the changing regional order where great power competition significantly impacts small states' strategic options and how Cambodian domestic politics impacts its foreign policy choices. In this way, it contributes to further understanding of the foreign policy of small states and its connection with domestic politics. The article concludes that since small states strategically rely on multilateral institutions such as the ASEAN and/or align with great power for their security and prosperity, at the time being, Cambodia leans more towards China than it does towards the ASEAN, thus weakening the ASEAN centrality amid Chinese efforts to create divisions within the regional bloc, and that domestic politics is the primary driving force of Cambodia's foreign policy directions.

## CAMBODIA AS A SMALL STATE

The concept of small states has its significance in international relations in the heyday of the non-alignment movement. However, the literature on small states does not show consensus among scholars on the definition and position of small states in international relations dependent on scholars' criteria for their research purpose. Definitions of small states are based on two broad approaches - quantitative parameters and relational characteristics. The two groups of definitions reviewed below show how Cambodia fits in the literature of small states and how smallness impacts their foreign policy behaviors in international politics.

Quantitative characteristics of a small state include Gross National Product (GNP), population and geographical size, and military capability. The proponents of the quantifiable approach defined small states differently based on their subject of research. For instance, Barston (1973) defined small states in the combination of both population size and GNP factors, suggesting that they should have a population ranging between 10-15 million and GNP equivalent to US \$1 billion. There are some problems with the quantitative definition of a small state. One problem is that it does not cover the complexity of the size of small states in international relations because some countries may be small in size but very rich, or very big but somewhat underdeveloped (Handel 1981). The generalization of small state characteristics based on GNP is problematic when it comes to the small but rich countries such as Luxembourg in Europe, Qatar in the Middle East, and Singapore in Southeast Asia.

The relational characteristics of a small state are more comprehensive than the quantitative one. They include 'smallness' relative to weak power *vis-à-vis* great powers and self-perceptions. Bjöl (1971) argues that small states should be defined through their relative disparity in capability *vis-à-vis* the middle and great power, the limited range of their national interests, and the strategically-important position of their geographical factors. Keohane (1969) argues that "a small state is a state whose leaders consider that it can never, acting alone or in a small group, make a significant impact on the system." The perception approach has gained attention from scholars in defining and analyzing small states. One scholar argues that "the concept of a small state is based on the idea of perceptions" and "if a state's people and institutions generally perceive themselves to be small or if other states' people and institutions perceive that a state is small, it shall be so considered" (Hey 2003, 3). Nonetheless, the perception approach has flaws. When different perspectives clash, the question is whose perspective should be taken into account. However, when studying the foreign policy of small states, the perception approach has an advantage by utilizing the levels-of-analysis approach that considers different types of inputs into the policy process: individual, state, and system.

In terms of quantifiable criteria, Cambodia may not adequately be defined as one of the small states as its GNP reached US \$71 billion in 2019 (World Bank 2021), which is beyond any definition of GNP upper limit of US \$1 billion, though with a population of 15.5 million falling slightly outside the scope of definitions given by Barston (1973). However, according to the perception-based approach, in comparison to its stronger neighbors Thailand and Vietnam, Cambodia can be described as a small state. In the ASEAN, Cambodia's population is the smallest of the others (more than Laos, Singapore, and Brunei), and its territory is 181,035 km<sup>2</sup>, making it the third smallest country in the regional bloc. In terms of economic development, Cambodia is classified among CLMV countries (Cambodia, Laos, Myanmar, and Vietnam), new members of the ASEAN or the ASEAN-4, which are less developed than the old members of the ASEAN or the ASEAN-6

(Brunei, Indonesia, Malaysia, Singapore, Thailand, and the Philippines). Above all, Cambodian leaders consider their country small, weak, and least developed. This perception has fundamentally determined Cambodia's foreign policy and security strategy for several decades.

In general, the foreign policy of small states has been primarily dictated by their geographical location, small size in terms of land and population, and weakness in terms of economy and defense capability. Due to the lack of tangible elements of power, small states are vulnerable to external shocks. In the case of Cambodia; it had played the role of a pawn on a superpower chessboard in Cold War geopolitics. The international system greatly impacted Cambodia's foreign policy behaviors, and Cambodia became the victim of great power rivalry. Since independence from France in November 1953, Cambodian leaders adopted and pursued different foreign policies from non-alignment to engagement with the primary objective of safeguarding sovereignty, territorial integrity, and survival against internal subversion and external interference. Cambodia went through at least five regime changes that pursued different foreign policies for the last six decades. In the post-Cold War, Cambodia prepared to join the ASEAN together with Laos and Myanmar in 1997, but it had to overcome many internal and external challenges before being admitted to the regional body two years later. Accession to the ASEAN was a milestone in Cambodia's external relations. Since the turn of the XXI century, Cambodia has also sought a close relationship with China as its powerful external backer.

### THE ASEAN AS A 'CORNERSTONE' OF CAMBODIA'S FOREIGN POLICY

The end of the Cold War and the emergence of unipolar liberal world order under American supremacy created opportunities for small states to raise their international standing and provided them with larger room in their foreign policy maneuver. In the meantime, the ASEAN emerged as one of the most successful regional organizations that survived the great power rivalries. Over the past five decades, the ASEAN significantly transformed Southeast Asia from a zone of war to a zone of peace and neutrality, from trust deficit to strategic trust, from pawns and proxies of great power rivalry to driver's seat of regional architecture, and from elite-centric to people-centric regional bloc. The ASEAN's diplomatic role in bringing about a political solution to the Cambodian conflict has been widely recognized. Therefore, since joining the regional grouping in April 1999, Cambodia's foreign policy has been ASEAN-centric. From the outset, Cambodian leaders considered the ASEAN the gateway to the outside world, through which they expanded the small nation's external relations with all regional players and great powers. They also expected a wide range of interests in the ASEAN.

### *Cambodia's Interests in the ASEAN*

Cambodia has four primary reasons for joining the ASEAN in the first place: the ASEAN as a diplomatic channel to the outside world; the ASEAN principles of non-interference in one another's internal affairs; the ASEAN spirit of a community as the decision is made by consensus basis, benefits from economic cooperation and partnership with the ASEAN and the ASEAN external partners. This stimulation shows Cambodia's confidence in its continued engagement in the regional grouping.

First, the ASEAN was a diplomatic platform for the Hun Sen government saving ample diplomatic resources. In 2002, Cambodia became the ASEAN chair for the first time and hosted several summits in which regional and world leaders participated. It was a great honor and privilege for Cambodia to be ASEAN chair. During the 8<sup>th</sup> ASEAN summit in November that year, the leaders of the ASEAN and the heads of the ASEAN partner states paid the official visit to the country. Observers expressed that having hosted the ASEAN summit was pride for the Cambodian government, making Hun Sen very proud. They held that "hosting the summit became a point of pride for the Cambodian government", and that "nothing could have made Hun Sen more proud than to host not only the leaders of the ASEAN countries but also the heads of government" of the ASEAN Plus Three, China, Japan, and South Korea (Un and Ledgerwood 2003, 117-18). Importantly, being part of annual ASEAN summits, Cambodian diplomats have the opportunities to interact with leaders of major countries that are ASEAN's dialogue partners, and therefore, further extend the country's diplomatic activities.

Second, the ASEAN principles of non-interference in the internal affairs of Member States provide Cambodia with internal and external security safeguards. The ASEAN is highly viewed as a security shelter for Cambodia. With the policy of non-interference in the internal affairs of one another, the ASEAN provided Cambodia with internal security. Neighboring countries often hosted anti-regime dissidents, which posed threats to regime security. Since all neighboring countries are members of the regional bloc, no countries shall allow anti-government activities to operate on their soil. Such a security environment is conducive for Hun Sen and his Cambodian People's Party (CPP) to consolidate power in Cambodian politics and guarantee regime survivability. Indeed, Acharya (1999) points out that "ASEAN's primary concern has been with regime survival" (p. 428). Moreover, historically, Cambodia's external threat came from neighboring countries, Thailand to the west and Vietnam to the east. Such a traditional security threat has been relatively diminished since relations among all ASEAN Member States are governed by the principle of settlement of differences or disputes in a peaceful manner and renunciation of the threat or use of force. Therefore, the ASEAN principles of inter-state relations overcome Cambodia's structural constraints as a small and weak country.

Third, the ASEAN decision based on a consensus basis provides Cambodia with equal rights as other nations on political and economic fronts. With veto power in ASEAN's decision-making, Cambodia can exercise equal rights to its larger counterpart despite being small, weak, and least developed. Instead, the ASEAN increases Cambodia's bargaining power on the international stage and draws significant attention from major powers such as China and the US, seeking influence in the regional grouping.

Finally, being part of the ASEAN integration, Cambodia has benefited from development assistance from the bloc and its dialogue partners and diversified its economy to the global market. First and foremost is the Initiative for the ASEAN Integration (IAI). With the admission of the four new members into the ASEAN, some expressed concerns over the possible emergence of a 'two-tier ASEAN'. To tackle the development issue in the ASEAN and help new ASEAN Member States to catch up with the ASEAN-6, the IAI was adopted in Singapore in 2000. It is a mechanism to provide economic assistance to them in broad areas, including human resources, institutional capacity, infrastructure, connectivity, and competitiveness. Cambodia has notably benefited from this special scheme in narrowing the development gap.

As part of the ASEAN-EU partnership in reducing economic disparity, Cambodia with Least Developed Countries (LDCs) status has also enjoyed the 'Everything but Arms' (EBA) trade preference which offers duty-free and quota-free for Cambodia's exports to the EU member countries. Cambodia has also hugely benefited from the US Generalized System of Preferences (GSP) program with preferential duty-free. With the EBA and GSP trade privileges, Cambodia significantly increased foreign direct investment (FDI), especially in the manufacturing industry and services (finance and insurance). For the last two decades, Cambodia has witnessed an increase in FDI from the ASEAN and the ASEAN Plus Three to the highest ever level of US \$3.6 billion in 2019 from the modest US \$118 million in 2000 and US \$1.4 million in 2010 (World Bank 2019). Accordingly, the EU and the US have become the two largest markets for Cambodia's exports accounting for 65.25 percent and 22.36 percent in 2006, and 39.82 percent and 21.32 percent in 2016, respectively (Ministry of Commerce 2019). At some point in time, the EU and US markets combined made up 70 percent of Cambodia's total exports.

Conversely, the ASEAN makes relatively a small percent of Cambodia's exports accounted for 4.40 percent in 2006 and 8.62 percent in 2016, mainly exporting agricultural products to neighboring Thailand and Vietnam, approximately equal to only one-fifth of Cambodia's total exports (Ministry of Commerce 2019). Trade deficit within the ASEAN is an unsolved problem for Cambodia. Even though the ASEAN is the lower destination of Cambodia's exports, the ASEAN integration and the ASEAN Economic Community (AEC), established in 2015, have accelerated Cambodia's internal reforms. It has made numerous commitments, including National Single Window (NSW), capacity building, and institutional strengthening, to meet the requirements of the AEC.

### *The ASEAN as a 'Cornerstone' of Cambodia's Foreign Policy?*

All old Member States of the ASEAN have officially regarded the grouping as the cornerstone of their foreign policy, including Brunei, Indonesia, Malaysia, Thailand, Singapore, and the Philippines. It seems that new Member States have not officially considered the ASEAN as the cornerstone of their external policy. So far, no mention of the ASEAN as the cornerstone of Cambodia's foreign policy in the official documents of the Royal Government of Cambodia has been found. Whatsoever, the ASEAN is indeed the 'cornerstone' of Cambodia's foreign policy, given its active engagement with, and the yielded economic and political interests from, the regional grouping.

One of the strong arguments for ASEAN's importance in Cambodia's foreign policy can be reflected in views expressed by Chheang Vannarith, founder and president of Asian Vision Institute (AVI), a Phnom Penh-based think tank. On several occasions, he repeatedly uses the term 'cornerstone' to describe how the ASEAN is important in the foreign policy of Cambodia as a small state in Southeast Asia and the broader Indo-Pacific region. For instance, he insists that "[The ASEAN] has been regarded as a cornerstone, if not the cornerstone, of Cambodia's foreign policy" (Chheang 2018). By contrast, Cheunboran (2018) of the same think tank argues that "It seems that ASEAN is no longer the cornerstone of Cambodia's foreign policy", while another suggests that "ASEAN should remain the cornerstone of Cambodia's foreign policy" (Heng 2014). No doubt, the ASEAN is crucial for Cambodia, and it may be correct to say that the ASEAN is one of the cornerstones of Cambodia's foreign policy. On the occasion of the 20<sup>th</sup> anniversary of Cambodia's ASEAN membership in April 2019, Prime Minister Hun Sen stated that "Cambodia will endeavor to play a proactive and responsible role to ensure that ASEAN remains the fulcrum of regional architecture by upholding the 'ASEAN Spirit' and a 'Rules-Based ASEAN'" with emphasis on "striking a reasonable balance amongst external partners" (cited in Chheang 2019). However, the statement may not necessarily be consistent with actual actions. Although the ASEAN is a springboard and lifeboat of its smaller Member States, Phnom Penh slides towards China at the expense of the ASEAN centrality.

### CHINA AS CAMBODIA'S 'IRONCLAD FRIEND'

China is the champion in many things in Cambodia. Beijing is Cambodia's top investor and trade partner, major aid provider and creditor, and staunch backer of Cambodia on the international stage. As China's influence in Cambodia has increased over the last two decades, observers often describe the bilateral ties between the two countries in terms of mutually beneficial interests or quid pro quo. While China provides economic assistance and international political backup to Cambodia, the latter, in turn, backs Beijing's regional interests within the ASEAN and strictly pursues the 'One China'



policy. In strategic terminology, 'bandwagoning' is compatible with the description of Cambodia's relationship with China.

Back in the 1980s, Prime Minister Hun Sen labeled China as 'the root of everything evil in Cambodia' given the former's background as the strong backer of the Khmer Rouge genocidal regime - the background that has been entirely omitted in the current narrative of historical relations between the two countries. In contrast, today, he said China is Cambodia's 'ironclad friend', an updated version of Beijing's status as 'most trustworthy friend' of Cambodia.

In return, the Chinese leaders emphasized, 'China and Cambodia are good neighbors and trusted friends. China laid out the foundation for solid relations with Cambodia roughly since the second-half of the 1990s, overcoming their past distrust and hostility in the Cold War, and constantly consolidating bilateral ties with the signing of the treaty of comprehensive partnership with Cambodia in 2006, which was elevated to the treaty of comprehensive strategic partnership in 2010. Furthermore, in April 2019, the two countries signed the 'Action Plan 2019-2023 on Building China-Cambodia Community of Shared Future'. Their current relationship has reached its highest point in history than any formal relations can be described. On the flip side, since 2012, when the ASEAN under Cambodian chairmanship failed to issue a joint communiqué for the first time in its history, Cambodia has been more or less seen as a 'proxy state' of China. Therefore, it is significant to explain the underlying reasons for Cambodia's pursuit of a bandwagoning strategy towards Beijing.

### *Balancing against its Neighbors*

The first reason for Cambodia's close relations with China is the strategic balancing towards its more powerful neighbors, Thailand and Vietnam. In history, threat perception often emanated from the neighboring countries that had reduced Cambodia from a great empire of mainland Southeast Asia to a small state in the region. Since the fall of the Angkor Empire in the fifteenth century, the existential threats to Cambodia's security, survival, and territorial integrity had emanated from the two neighbors. In the post-Cold War, such a security perception was significantly reduced after Cambodia joined the ASEAN.

There was no security threat from Thailand until the deadly border clashes occurred in 2008-2011 over the disputed areas around the ancient Hindu temple of Preah Vihear. From a Cambodian perspective, border conflict with Thailand posed a clear security threat to the small kingdom. Even though Chinese assistance has contributed to building the Cambodian army's capacity and national defense, the Royal Cambodian Armed Forces (RCAF) are "far from a level that would enable Cambodia to rival its neighbors", but instead of attempting to arm Cambodia heavily, "China has used military aid as a sign of political support" (Ciorciari 2013).

Back then, China donated some uniforms to the Cambodian army. Some suggested that the donations created a soft gesture urging Bangkok to practice more restraint in the disputed border areas. On the other hand, Cambodia's allying with China can be a counterweight in reducing Vietnam's influence. As China's weight in Cambodia has increased, Vietnam's influence in Cambodia has waned comparatively. Nevertheless, Cambodia still maintains a special relationship with Vietnam, and the latter is also a major country that provides military assistance, especially in terms of military training. Vietnam is the second-largest military aid provider to Cambodia after China.

Even though Cambodia supports Beijing's position in the South China Sea (SCS) disputes, which undermines the Vietnamese interest, the traditional relationship between the two neighbors remains unchanged, especially in defense cooperation.

There is no clear evidence that Cambodia attempts to balance its neighbors for the time being. Despite that, Cambodia is in a good position to do so while keeping close relations with China. One analyst argues that Beijing's forging ties with the Hun Sen regime in Cambodia has had the effect of "pulling the country out of the Vietnamese and Thai orbit" (Chachavalpongpou 2012). To a higher degree, since the border clashes with Thailand, Cambodia's alignment with China can be viewed as a balancing act against its western neighbor. Meanwhile, Cambodia has maintained a lower degree in balancing Vietnam, as both countries have remained cozy in their relationship. Since the 2012 Phnom Penh fiasco, when Cambodia supported China's core interest in the SCS at the expense of the ASEAN fellow members, particularly the Philippines and Vietnam, the Phnom Penh-Hanoi relationship signaled some uneasiness. For this reason, Cambodia tried to accommodate Hanoi in many ways, especially by cracking down on the opposition Cambodian National Rescue Party (CNRP) activists who used the politics of anti-Vietnamese nationalism on border issues and illegal Vietnamese migrants. Strategically, it is argued that Cambodia is pursuing 'soft balancing', to use the term loosely, against Vietnam by sustaining close relations with Beijing, Hanoi's geostrategic adversary. Therefore, to a certain extent, Cambodia's close ties with China can serve as a balancing act against its immediate neighbors. For landlocked Laos, Cambodia does not perceive it as a security threat. In all criteria, Laos is a country as small and weak as Cambodia in Southeast Asia. Although both countries have unresolved border demarcation, it is manageable through bilateral negotiation in a friendly manner.

### *The ASEAN's Limited Role as a Security Shelter*

Observers and analysts argue that ASEAN's limited role as a security shelter has driven Cambodia to seek alignment with China to offset the Kingdom's structural constraints and weakness as a small state. On many occasions, some academics have criticized ASEAN's ineffective role in the Preah Vihear dispute between Cambodia and



Thailand, while others have taken the issue as a justification for Cambodia's seeking strategic alignment with Beijing.

Such a viewpoint on Cambodia's foreign policy maneuver is partially correct. In reality, China has consolidated its relations with Cambodia since the July 1997 coup by then Hun Sen against his co-Prime Minister Prince Norodom Ranariddh. As the international community, including the US, the EU, and Japan, challenged Hun Sen legitimacy, China came in for political and diplomatic support for the coup maker. Moreover, one should acknowledge that the ASEAN did what it could as a weak regional institution to prevent and defuse interstate conflicts between Cambodia and Thailand. Back then, the ASEAN, under Singapore's chairmanship, convened a special foreign ministers meeting when the armed clashes first broke out in 2008. Both conflicting parties agreed to resolve their differences and disputes on bilateral basics and restrained from further use of forces. Unfortunately, it could not stop the deadly clashes. In 2009 and 2010, Thailand and Vietnam chaired the ASEAN summits, respectively, and they kept the issue out of the bloc meetings due to the lack of consensus. As severe fighting erupted again in 2011, Indonesia had to swap Brunei for the ASEAN chair. Indeed, according to the alphabetical order of the Member States' English name, Brunei was to take the rotating ASEAN chair after Vietnam. In his capacity as the ASEAN chair, Indonesian Foreign Minister Marty Natalegawa undertook intensive efforts by launching shuttle diplomacy to facilitate bilateral dialogues between the two Southeast Asian kingdoms. Then, the ASEAN foreign ministers accepted Indonesian observers to monitor cease-fire agreements at the affected areas around Preah Vihear temple, which never happened due to Thai disagreement on terms of reference. Frustrated with the ASEAN's ineffective role, Phnom Penh unilaterally took the case to the international multilateral mechanisms such as the UNSC and International Court of Justice (ICJ). In such a situation, Cambodia's embrace of China could increase the former's security against external threats.

### *Economic Dependence on China*

Economic dependence or reward is another driving factor for Cambodia to align with China. For the last two decades, China has made milestone after milestone in Cambodia. One of the least developed countries in the region that emerged from decades of civil war and internal conflicts, Cambodia is still heavily dependent on foreign aid to promote economic development. Between 1992 and 2017, Cambodia has received US \$20.68 billion in foreign assistance from three major donor countries, including China accounted for US \$3.1 billion, followed by Japan's US \$2.8 billion and US \$1.3 billion from the US (Koyanagi 2018). Hence, China has become the top aid provider to Cambodia, surpassing Japan's status in the mid-2000s. China's foreign aid is known for 'no string attached' and 'no questions asked' hence susceptible to corruption and

lack of transparency. China is also the largest source of foreign direct investment in Cambodia, accounting for nearly half of the total FDI approved last year. Reportedly, Cambodia received a total FDI worth US \$3.5 billion in 2019, accounting for a 12 percent year-on-year increase, of which 43 percent came from mainland China with the majority of the inflows channeled to the construction sector (World Bank Group 2020). China is also the number one source of tourist arrivals in Cambodia that received over 2.03 million Chinese visitors and accounted for 32.6 percent of Cambodia's total visitors in 2019 (World Bank Group 2020).

In terms of bilateral trade, China is the biggest trading partner of Cambodia. Total bilateral trade between the two countries reached US \$9.43 billion in 2019 compared to US \$732 million in 2006, with a growth rate of approximately 27 percent annually (Fullbrook 2006; Lee 2020). Cambodia's imports from China are the highest amount to US \$7.5 billion, followed by Thailand US \$3.2 billion and Vietnam US \$2.7 billion in 2019 (World Integrated Trade Solution 2019).

The US and the EU as a regional bloc are the two biggest export markets for Cambodian goods, mainly garment and footwear, totaling US \$5.3 billion and US \$5.1 billion in 2019, respectively (United States Census Bureau n.d.; European Commission n.d.). Due to democracy backsliding in Cambodia since the arbitrary dissolution of the main opposition CNRP in November 2017, the EU has decided to suspend 20 percent of the EBA to the Hun Sen government, with effect from August 2020 (European Commission 2020). In October the same year, Cambodia entered into Free Trade Agreement (FTA) with China after less than a year of negotiation, which some media observers speculated that the agreement is somewhat symbolic rather than practical given few details released and it will not save Cambodian industrial impacted by the EBA removal (Hutt 2020). On the other hand, China has already had FTA with the ASEAN Member States. The Covid-19 pandemic and the partial withdrawal of the EBA posed the greatest challenge to Cambodian economic development in its modern history. By July 2020, over 400 garment factories have shut down due to the severe impact of the Covid-19 pandemic and the partial revocation of the EBA (Xinhua 2020). The FTA with China will not mitigate the effects on the Cambodian garment industry since China is not Cambodia's garment export destination.

In the meantime, China is the largest creditor, worth US \$3.6 billion, accounting for almost half (47.5 percent) of Cambodia's total external debt of US \$7.6 billion by the end of 2019 (World Bank Group 2020). For that reason, some Cambodian observers share the concerns that Cambodia, just as the small island state of Sri Lanka, is in China's debt trap which constituted about 25 percent of the GDP of the current year, with the worrying trend and its "foreign policy seems to largely serve China's political and diplomatic interests in the region" to the detriment of its international reputation and soft power (Var and Po 2017; see also: Heng and Var 2019). Also, Cambodia is one of the staunchest supporters of China's Belt and Road Initiative (BRI) for the Kingdom's much-

needed infrastructure development. The BRI provides Cambodia with opportunities to fulfill the country's needs of road connectivity to boost the economy. At the same time, it also increases China's influence under ambitious Chinese-invested projects worth up to billions of US dollars, exacerbating the trend towards debt-trap diplomacy. In the long run, with the deficiencies of economic diversification, Cambodia may end up in China's debt trap, which poses much concern among many Cambodians, and anti-Chinese sentiments are on the rise in the Kingdom. Nevertheless, China's aid and investment have significantly contributed to Cambodia's economic growth averaging 7 percent over the past two decades, thus providing the Hun Sen government with political legitimacy and credibility to sustain people support. On the flip side, despite two decades of economic growth, Cambodia was recorded as one of the world's most corrupt nations and the worst in Southeast Asia, ranking 160<sup>th</sup> out of 180 countries in the Corruption Perceptions Index released by Transparency International (2020). Likewise, Cambodia was recorded almost the lowest score in the rule of law index. According to World Justice Project (2020), Cambodia ranked 127<sup>th</sup> across 128 countries in 2020.

### *Hun Sen's Regime Survival*

The most crucial driver of Cambodia's political embrace of China is regime survival. Cambodia's foreign policymakers have engaged with China for three binding reasons that have ensured their political survival: 1) balancing force against Western pressure for political reforms and leveraging the dissident of the Hun Sen's regime in the domestic political arena; 2) political legitimacy or respectability stemming from economic growth; 3) dynastic politics and political succession.

For decades, as Cambodia's extremely personalized and Asia's longest-serving leader since 1985, Hun Sen has determined to hold onto power in Cambodian politics indefinitely. His government's alignment with China is to ensure its political hegemony in the country rather than any foreign policy strategy designed to balance any country. Cambodia knows how to "plays China off of the Western donor groups and China's aid - even if not necessarily linked to any downgrading of human rights - could have the effect of a kind of race to bottom on human rights", Kurlantzick said as quoted in 'Asia Times' (Strangio 2009). Western pressure in any form has never been a pleasure for Hun Sen, and he views the US deep engagement in Cambodia as a threat to his regime's survival. His 'China card' has been useful in countervailing Western influence and pressure for political reforms. In the meantime, domestic power rivalry between the ruling party and the opposition party has driven Cambodia's foreign policy choices. The rise of the opposition CNRP, a unified democratic opposition party led by France-educated Sam Rainsy, posed an enormous challenge to Hun Sen over three-decade rule. In Hun Sen's perspective, Western demand for democratic reforms attached with their

development aids is likely interpreted as asking for a share of power with opposition rivals. Therefore, Western pressure has exacerbated Hun Sen's move towards closer ties with China for political breathing. On the other hand, China's policy towards Cambodia is determined by one consistency: Beijing cares a little about who runs Cambodia as long as the ruler is keen on helping China maintain its strategic position in the region.

Other than using China to countervail external actors' influence, its economic assistance has helped Cambodia's ruling elites sustain their wealth and power at the expense of the poor and has undermined democratization. China's economic assistance constitutes pecuniary benefits to the CPP elites and legitimacy to continue to run Cambodian affairs. Cambodian elites have considerably benefited from China's economic development assistance and investment in Cambodia. The profitable economic engagement with China can be both in financial and political terms since Cambodia's political and economic systems are very closely intertwined (Ciorciari 2013). In Cambodia, a modernized bureaucracy is combined with personalized patronage networks - blurring the line between the public and private spheres - that is what some scholars call a "neo-patrimonial state" (Un and So 2011, 294).

Neopatrimonialism and the provision of material aid and political legitimacy rendered by the international community have been central to the endurance of Cambodia's ruling elites. This kind of patron-client relationship is ideally suited to the Chinese way of doing business (*guanxi*) based on mutually beneficial partnerships developed outside the official work setting.

Adding to the Cambodian democratic political crisis is the dynastic politics that also drives Hun Sen to embrace China. His eldest son, four-star general Hun Manet, is a confirmed candidate for the successive premiership. Manet has yet to win the majority backing of senior members of his CPP. With China's support, Hun Sen has leverage over his son's rivals within his party (Interior Minister Sar Kheng is one of them), while the other faction of the party has Vietnam's backing. A few years ago, 'Asia Times' reported citing the Cambodian government insiders that Vietnamese Politburo officials "expressed their displeasure behind closed doors during a November [2017] meeting in Vietnam, even going as far as telling Hun Sen to step down after July's elections" (Parkhouse 2018). It is interesting to mention that during the early outbreak of Coronavirus in the Chinese city of Wuhan, Hun Sen and his eldest son Manet visited Beijing and met with Xi Jinping to show solidarity with the host country in a difficult time. Manet's China visit fueled speculation that his father introduced him to Chinese leaders and sought their backing as a future leader in addition to the intra-party elite's backing. Beijing, too, needs to make sure the next generation of Cambodian leaders follows Hun Sen's China policy. Therefore, the 69-year-old Cambodian strongman needs China's support to balance Vietnam's influence in the Kingdom's internal affairs as he determines to hold onto power much longer, likely until the process of his son's succession is complete.

## **CAMBODIA BETWEEN THE ASEAN AND CHINA: IMPLICATIONS FOR THE INDO-PACIFIC**

As a small, least developed state, Cambodia has few foreign policy options in regional politics - either supporting regional institutions or aligning with great power for patronage. Cambodia faces a dilemma when the two options are contrasted and equally important for its political, security, and economic interests. Considering the factors described above in Sino-Cambodian relations, Phnom Penh faces a hard choice between its closest ally China and the ASEAN colleagues in the era of power dynamics in the Indo-Pacific region. Cambodia's deep embrace of China has far-reaching implications for regional security and stability.

Observers and analysts agree that balancing the relations with the ASEAN and China is one of the most challenging tasks for Cambodia's foreign policymakers. As it turned out, Cambodia has openly pursued a bandwagoning strategy with China with the four motivations mentioned above. If compared with small countries such as Laos, "Cambodia appears more comfortably ensconced in China's embrace and [has] little qualms about bandwagoning" (Pang 2017).

In 2013, Hun Sen explicitly told Xi Jinping that supporting China's core interests and major concerns was "Cambodia's political choice" (China Daily 2013). The economic reward that leads to political legitimacy will make Cambodia even more dependent on China. Cambodian foreign policy thinkers and political elites believe that since Cambodia does not have a border with China, there is nothing to fear about China's rise. Because China will not annex their land as neighboring Thailand and Vietnam did in the past. Although this may be true, the problem is that the excessive reliance on one great power is a serious concern for small states like Cambodia in the Indo-Pacific context as it reduces the bargaining power in their foreign policy maneuver to achieve national interests. No one should rule out the prospect of neocolonialism. With the increasing Chinese influence, some observers contend that Cambodia lost its strategic autonomy and cannot apply agency in regional matters, causing regional concerns. For instance, the SCS disputes between China and some ASEAN claimant states, including Vietnam and the Philippines, have created a split within the regional bloc due to Cambodia being seen as siding with Beijing. In consequence, Cambodia has been seen as the weakest link in the ASEAN chain. In this situation, Cambodia certainly faces a strategic dilemma.

More importantly, Vietnam is the traditional ally of the ruling CPP in Cambodia. It was Hanoi that put this party in power after overthrowing China's ally Pol Pot regime in late 1978. By default, aligning too closely with Beijing will affect Cambodia-Vietnam ties. Therefore, it is one of Cambodia's most challenging diplomatic tasks to maintain a balanced relationship with two friends who are adversaries to each other. Undoubtedly, Cambodia's position in the SCS dispute undermined Hanoi's interest, but both have maintained peaceful relations so far. To please Hanoi, the Hun Sen government



subsequently cracked down on the CNRP activists who used the politics of anti-Vietnamese nationalism on border issues and illegal Vietnamese migrants and restricted or limited activities directed against Vietnamese interests. After all, the ruling CPP and the Vietnamese could maintain their special relationship because they have common unfriendly and hostile forces, the CNRP that has the potential to come to power in Cambodia and may adopt a hostile policy towards Vietnam. Vietnamese leaders consider Cambodia, Laos, and Vietnam as a single strategic unit, and thus, maintaining good relationships among them is even more vital than the SCS issues. Meanwhile, neighboring Thailand and Laos are not the claimant states in maritime disputes. Hence, the two countries do not view Cambodia's close relationship with China with suspicion.

Likewise, Sino-US competition for influence and domination in the broader Indo-Pacific region has recently been felt in Cambodia, placing the Phnom Penh government in another dilemma position as it has to balance ties with the two great powers.

Recently, the Greater Mekong Subregion has become another competing arena between Washington's Mekong-US Partnership (est. 2020) and Beijing's Mekong-Lancang Cooperation (est. 2016) with five riparian states of the Mekong River, including Cambodia, Laos, Myanmar, Vietnam, and Thailand on each side. Cambodia has become a hotspot because of its increasing proximity to Beijing. The US wants Cambodia to maintain neutrality and not be too close to China. The Americans expressed concerns after 'The Wall Street Journal' reported about China's alleged naval base in Koh Kong province in July 2019, which Cambodia repeatedly rejected, citing that its Constitution prohibits any foreign military base on its soil (Radio Free Asia 2020a; 2020b). Adding to that is the US economic sanction imposed on a Chinese company linked to land seizure and displacement of Cambodian families in Koh Kong (Men, Hul, and Aun 2020), followed by Cambodia's demolishing two of the US funded-buildings in Ream Naval Base in Sihanoukville (Radio Free Asia 2020b). One month earlier, US Secretary of State Mike Pompeo alleged there were 'credible reports' that the US \$3.8 billion luxury Dara Sakor Seashore Resort project developed by the Chinese company in Koh Kong "could be used to host (Chinese) military assets", adding that "If so, (this) (...) could threaten Indo-Pacific stability, possibly impacting Cambodia's sovereignty and the security of our allies" (Men, Hul, and Aun 2020). In effect, China's access to these coastal provinces serves its long-term 'String of Pearls' strategy. The tit for tat response and reaction in this latest episode showed the lowest point in the ups and downs of US-Cambodia bilateral relations as the two countries mark the 70<sup>th</sup> anniversary of diplomatic ties this year and also reflected the US discontent about Cambodia being too close to Beijing. It is essential to understand that the US and its alliance system remain the stabilizing factor in Southeast Asia, and countries in the region welcome its presence. So, playing the hostile game with the US will not be in Cambodia's national interest. Cambodia should avoid serving as the battleground of great power politics as happened in the Cold War, and the consequence was devastated.

## THE WAY FORWARDS

At this juncture, Cambodia's foreign policy has to walk a tight rope between bandwagoning with China and maintaining the ASEAN centrality in the Indo-Pacific context. As China has been deeply integrated with Southeast Asia politically and economically, no country in the region can downright reject China's influence. China's rise is a geopolitical reality, and Southeast Asian countries have to accommodate it for economic opportunities. As a rising power contiguous with Southeast Asia, China wants respect for its global status but should not dominate the region exclusively. Its aggressive behaviors, particularly the militarization of artificial islands in the SCS, pose security concerns and Sinophobe in the neighboring countries. Undeniably, Cambodia is in the depth of Beijing's regional sphere of influence, affecting its foreign policy maneuver in regional matters concerning China's core interests. However, there is a paradox for Cambodia and China to undermine the ASEAN centrality and unity. Leading scholars candidly point out that "it is not in Cambodia's interest to alienate its fellow ASEAN members too much", adding that "China should also understand this and demonstrate its good judgment by allowing Cambodia more political space to take independent positions" (Mahbubani and Sng 2017, 143).

Cambodia needs smart and soft diplomacy to realize national interests without hurting any countries in the geopolitical gambles and avoiding confrontational rhetoric in external communication. For that to work, it requires Cambodia to have skillful, competent diplomats, think tanks that recommend and support the country's policy, national unity, and consolidation of democracy, human rights, and the rule of law, which are vital for durable peace and stability.

Undoubtedly, Cambodia strongly supports the greater regional integration and the ASEAN-led regional architecture but being labeled as a 'proxy state' or 'client state' of external power has not been an accident but an external perception. The 2012 ASEAN fallout and subsequent positions Cambodia has taken on the sensitive issue in the SCS have led to a deeper suspicion over its commitment to the grouping's centrality and consensus as well as damaging the country's soft power. However, reactionarily or emotionally denying this apparent pro-China policy helps nothing but increases distrust, creating disagreement among the ASEAN Member States even more explicit. To change such a negative perception, Cambodia needs to step back from the present degree of its strategic engagement with China and look for ways to diversify its relations with other major powers. Doing so will reduce the chance of forcefully taking a clear side in great power strategic competition. Tactically speaking, strategic ambiguity is relevant there. As history tells, pursuing a permanent neutrality policy in theory and practice plus flexibility remains the best option for a small state like Cambodia. Moreover, Cambodia's national interest should be aligned with regional interest so that it can restore the trust of its ASEAN fellows and demonstrate its responsibilities as a member of the bloc.

The ASEAN should officially be considered the cornerstone of Cambodia's foreign policy, and strengthening the bloc centrality must be Cambodia's top strategic priority, especially in this time of intense geopolitical contestation between great powers in the Indo-Pacific.

Getting back on the democratic path and upholding human rights are essential for the Kingdom to enhance its relations with the West and develop internal cohesiveness and national unity while operationalizing an external diversification strategy. Of course, the ASEAN should also strengthen its institutions by making institutional reform to become a rule-based regional organization or supranational body similar to the EU. Although the ASEAN is not resilient enough to mitigate the adverse impacts of the increasingly intense geopolitical rivalries between great powers, it still plays a critical role in promoting a habit of dialogue, trust-building, and preventive diplomacy among its members and dialogue partners. Supporting and promoting rule-based international order, international law, and multilateral institutions protect the best interests of small states. Moreover, the Quad, a quadrilateral security dialogue platform among like-minded democratic countries, including Australia, India, Japan, and the US, could play a constructive role in democratization in Cambodia while also filling the development gap in the small Southeast Asian country.

## CONCLUSION

In the Indo-Pacific context, where great power rivalry has increasingly intensified, small states with structural constraints and capability problems face significant challenges in their foreign policy maneuvers. Small states have few foreign policy options - either relying on a great power or strengthening regional institutions. Cambodian foreign policymakers face a dilemma of choosing between upholding the ASEAN interests and the interests of its closest ally China. Against all odds, China is Cambodia's first choice, and the ASEAN is second to that.

As can be seen, in undemocratic small states, individuals are the most important factor in determining their external behaviors, especially when regime security and survivability are at risk. International and regional pressures play only a secondary role. In Cambodia, domestic political struggles essentially explain Hun Sen's eager entry into China's orbit. Chinese patronage can protect his autocratic regime against the international community's pressures on democratic reform and political dissidents within and without his party. In this sense, the regime's sustainability is the most crucial factor in Phnom Penh's alignment with Beijing by pursuing soft balancing against its neighbors while frustrated with ASEAN's insufficient role in addressing the Kingdom's economic and security needs. Although the ASEAN is a cornerstone of Cambodia's foreign policy, Phnom Penh chooses to embrace China. In the long run, Cambodia's domestic politics will continue to impact its foreign policy options significantly.



Cambodia's full embrace of Beijing certainly has broad implications for the security and stability of the Indo-Pacific. It impacts the strategic interests of the US and its allies in the region. Finally, it is not in Cambodia's long-term interests to weaken the ASEAN unity and consensus over sensitive issues in the region. While the ASEAN makes Cambodia valuable and relevant to China, it also provides strategic space for the Kingdom. Pragmatically, Phnom Penh will have to learn to play the geopolitical game more flexibly to retain its strategic autonomy and independent foreign policy. It requires a smart and soft diplomacy by which Cambodia can protect its national interests without harming other countries' interests. Being a small regional player, Cambodia needs to avoid the behaviors or policies that alienate the more powerful countries. Moreover, to be a responsible member of the regional bloc, it needs to balance its national interests with the ASEAN and China and demonstrate solidarity with and strengthen the ASEAN and its central role in the regional architecture amid the geostrategic, geoeconomic competitions between major powers in the Indo-Pacific.

Some future scenarios potentially change Cambodia's strategic choices of bandwagoning with China: more economic benefits from the ASEAN and its dialogue partners would likely reduce Cambodia's excessive dependence on China; the leadership change in Cambodia in the due democratic process or otherwise would lead to the reset of Phnom Penh's 'ironclad' friendship with Beijing; eliminating the Western existential threat to Hun Sen's regime survival would provide Cambodia with more political space to diversify its strategic focus with other major powers and Cambodia would conceivably change its course if China made any misstep in the strategic move. 🌐

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# EXTRADITION IN THE CRIMINAL PROCEDURAL LEGISLATION OF UKRAINE: COMPLIANCE WITH THE EUROPEAN STANDARDS

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**Abstract:** *The importance of legal regulation of extradition in the system of legal aid in criminal proceedings is determined both by the national interests of states and the interests of international cooperation in combating transnational and international crimes. The objective of this paper was to get the answer to the main question of this research - Did the provisions of the law on extradition in Ukraine meet international standards? A set of general and special scientific, and philosophical methods of scientific research were used while preparing this article, to clarify the approaches to the extradition procedure of different countries and in practice. The results of the research suggested that the current criminal procedure legislation of Ukraine in the sphere of extradition generally meets European standards. Although, there are some gaps in the national legal regulation of extradition that may adversely affect the observance of the rights and freedoms of persons to whom it is applied.*

**Keywords:** *Extradition; Human Rights; Case-Law; European Court of Human Rights; Suspect; Imprisoned Person*

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## INTRODUCTION

Despite the benefits of globalization in respect of people's well-being, freedom of movement of employees, services, and goods, it also adds to the international community's responsibility of combating crime, particularly organized crime. Ukraine is

not immune to it. Some suspected persons or accused use the opportunity to avoid public prosecution for wrongdoing by fleeing abroad. The law enforcement agencies are forced to employ an international legal instrument for searching and returning wanted persons - an institute of extradition.

Extradition is the legal process by which one country returns a fugitive to another country where that person has been charged accused or convicted of a crime. It's often a lengthy and complicated, even bureaucratic procedure, whose specifics are determined through treaties signed by individual governments and ratified by a country's Parliament (Bereznyak 2020, 5-7). Part 1, article 9 of the Constitution of Ukraine states, that International treaties that are in force, agreed to be binding by the Verkhovna Rada of Ukraine, is part of the national legislation of Ukraine (Constitution of Ukraine 1996). An extradition procedure consists of different by its nature, essence actions, which can be divided into organizational-logistic actions and pre-trial investigative actions. For example, an arrest, an interview of a suspected person at court, etc. Extradition is not a novelty nowadays in international cooperation in criminal matters. It is an ancient mechanism of international cooperation in criminal matters, dating back to at least the XIII century BC, when an Egyptian Pharaoh, Ramesses II, negotiated an extradition treaty with Hittite King, Hattusili III. The first extradition agreement in Europe was signed between English King Henry II and Scottish King, Williams in 1174 (Buciunas 2017).

The importance of legal regulation of the institute of extradition in the system of legal aid provided by states in criminal proceedings is determined both by the national interests of states to prevent crimes on their territory and the interests of international cooperation in combating transnational and international crimes that threaten all the community.

The objective of this paper is to get an answer to the main question of this research - are the provisions of the law on extradition in Ukraine meet international standards? To reach the mentioned objective, the following tasks have been set out:

- To identify international (namely UN) and regional (namely European Council) conventions and their additional protocols, other multilateral and bilateral agreements, directly and indirectly, related with the extradition procedures in Ukraine from a point of view the case-law of the European Court of Human Rights (ECtHR);
- To review identify legal provisions of laws on extradition of a suspected person/accused in Ukraine;
- To identify main issues which arise during a suspected person/accused extradition through comprehensive and detailed analysis of the case-law of the ECtHR;
- To introduce proposals on improvement of extradition procedure in existing laws of Ukraine.

## LEGAL FRAMEWORK FOR AN EXTRADITION IN UKRAINE

Currently, extradition is a fairly common form of legal aid in criminal matters in Ukraine. Thus, according to the statistical data of the Office of the Prosecutor General of Ukraine for 2012-2019. During the above-mentioned period, Ukraine received 18,701 requests for international assistance, including 933 requests from foreign institutions for extradition, of which 757 were executed. Ukraine prepared only 6,535 requests for international assistance, only 1,335 of them were for extradition, of which 1,042 were executed (About the work of the prosecutor 2020). The main legal sources on which the extradition is based in Ukraine are: relevant provisions of multilateral special international treaties on combating certain types of crime, namely: The United Nations (UN) Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances, 1988 (article 6); UN Convention Against Transnational Organized Crime, 2000 (article 16) and the three protocols to it which entered into force on 25 December 2003, 28 January 2004, 03 July 2005; UN Convention for the suppression of Acts of Nuclear Terrorism, 2005 (articles 10-14), Council of Europe Convention on Extradition on 1957 (Convention on Extradition 1957) and four additional protocols to it dated 15 October 1975 (Additional Protocol 1975), 17 March 1978 (Second Additional Protocol 1978), 10 November 2010 (Third Additional Protocol 2010), 20 September 2012 (Fourth Additional Protocol 2012); Council of Europe Convention on the Transfer of Sentenced Persons on 1983 (Convention 1983); Council of Europe Convention on Cybercrime or the Budapest Convention, 2001 (articles 22-24); Council of Europe Convention on Prevention of Terrorism, 2005 (articles 18-19); Bilateral international agreements/treaties of Ukraine with other states (for example, treaty between the Republic of Lithuania and Ukraine on Legal Assistance and Legal Relations in Civil, Family and Criminal Cases, entered into force 20 November 1994); Criminal Procedural Code of Ukraine (CPC) (Chapter 44) (Criminal Procedural Code of Ukraine 2012) etc.

## THE CASE-LAW OF ECtHR AND EXTRADITION

The authors of this paper following the objective of this research analyze the extradition institute in the laws of Ukraine through the prism of judgments and decisions of the ECtHR. The relevant case-law of the ECtHR against Ukraine has recently been formed. In particular, in their judgments and decisions in the following cases: *Novik v. Ukraine* (2008); *Soldatenko v. Ukraine* (2008); *Svitlorusov v. Ukraine* (2009); *Baisakov and Others v. Ukraine* (2010); *Dubovik v. Ukraine* (2010); *Kreidich v. Ukraine* (2010) and others. The ECtHR has repeatedly stated that Ukraine has violated the articles of the European Convention on Human Rights (ECHR) when deciding on extradition by national courts. Therefore, these and other ECtHR judgments and decisions must also be taken into account in extradition law enforcement practice.



Most often, the ECtHR in its judgments and decisions states violations of the requirements of article 6 and 5 of the ECHR during the extradition, guaranteeing the right to a fair trial and the right to liberty and security of a person. The right to a fair trial in criminal proceedings is regulated in both international and national regulations, but the most complete and detailed content is defined in article 6 of the ECHR. This article guarantees the right to a fair and public hearing within a reasonable time by an independent and impartial tribunal established by law, in determining the civil rights and obligations of a person or in considering any criminal charges against a person. The same norm regulates the substantive elements of the mentioned right, in particular - the rights of persons against whom criminal prosecution is carried out (Handbook on article 6 2014).

Currently, the scope of the right to a fair trial extends to the entire criminal process, but in the past, the provisions of article 6 of the ECHR were not applied to extradition cases (*Farmakopoulos v. Greece*; *Peñafiel Salgado v. Spain*).

Thus, previously neither the extradition judge nor the habeas corpus court had the right to consider the presence or absence of human rights abuses in the requesting country. However, the UN Model Treaty on Extradition, approved by the UN General Assembly in 1990, expanded 'fundamental human rights' during extradition to include the 'right to a fair trial', and the UN Subcommittee on Human Rights recommended that no person be transferred to the state where there is a real risk of imprisonment for an indefinite period without a trial, or a court hearing with gross violations of international standards of judicial proceedings (Resolution on the transfer of persons 2005; Abilov 2014, 325).

Similar changes have taken place in the practice of the ECtHR. For example, in *Soering v. the United Kingdom*, the ECtHR for the first time did not rule out the possibility of considering the fairness of a trial in exceptional cases, namely when a refugee has already been exposed or being exposed to risks of lack of a fair trial. With this decision, the ECtHR laid the groundwork for a possible denial of extradition to the State, which requires the extradition of a person if the person concerned is at risk of 'blatant denial of justice' in the country requesting extradition. The phrase 'blatant denial of justice' is considered synonymous with litigation, which is contrary to the provisions of article 6 or the principles enshrined in it (*Sejdovic v. Italy* (2006); *Stoichkov v. Bulgaria* (2005); *Drozdz and Janousek v. France and Spain* (1992)). For the ECtHR to establish whether extradition or deportation constitutes a blatant denial of justice, the applicant must provide evidence capable of proving that there are serious grounds for believing that, in the event of extradition from a state party, he or she would be at real risk. If the applicant proves this, then the government must dispel any doubts on the matter (*Ahorugeze v. Sweden* (2012) §116; *Othman (Abu Qatada) v. the United Kingdom* (2012)), §§272-280; *El Haski v. Belgium* (2012), §86; *Saadi v. Italy* (2008), §129).

To examine the risk of blatant denial of justice, the Court examines the alleged consequences of the applicant's deportation to the country of destination in the light of the general situation and the special circumstances of the applicant's case (*Al-Saadoon and Mufdhi v. the United Kingdom*, §125; *Saadi v. Italy*, §130).

According to V. Rohalska (2020, 120-125), Ukraine also provided in its national legislation, namely in part 2 of article 589 of the Criminal Procedural Code (CPC) of Ukraine, the possibility of refusing to extradite to a foreign state where a person's health, life or liberty is in danger on the grounds of race, religion, nationality, citizenship, belonging to a particular social group or political beliefs, but the regulation in the legislation alone is not enough, these rules must be implemented in practice and act in specific circumstances, however, unfortunately, the above decisions of the ECtHR against Ukraine indicate that this is not always the case.

### A RIGHT TO A FAIR TRIAL IN CRIMINAL PROCEEDINGS AND EXTRADITION

The analysis of criminal proceedings records and also questionnaire of practical workers within the research work 'Theoretical bases of realization of the right to a fair trial in criminal proceedings' allowed us to conclude that during detention, including the detention of persons in Ukraine wanted by foreign states in connection with the commission of a criminal offense, among all the rights guaranteed by article 6 of the ECHR, perhaps the greatest obstacles exist in the implementation of the rights provided for in part 'a' and 'e', part 3, article 6 of the ECHR, namely: a) to be informed promptly, in a language which he understands and in detail, of the nature and cause of the accusation against him; to have the free assistance of an interpreter if he cannot understand or speak the language used in court (ECHR 1948).

Although the right to information and interpreter are not explicitly regulated, only defined as substantive elements of part 2 of article 5 and part 3 of article 6 of the ECHR, their content is disclosed in detail in the case-law of the ECtHR and the standards of the European Committee for the Prevention of Torture (paragraph 37, paragraph 44) (Belousov 2013, 122). However, it should be noted that the main documents that currently regulate the above rights are the Directives of the European Parliament and the Council of the European Union 'On the Right to Information in Criminal Proceedings' (Directive 2012/13/EU 2012) and 'On the Right to Interpretation and Translation in Criminal proceedings' (Directive 2010/64/ EU 2010). Analysis of the above sources led to the conclusion that; the right to be informed in criminal proceedings includes the following substantive elements:

1. the right to be informed of the grounds for detention,
2. the right to be informed of the nature and causes of the accusation against a person;

3. the right of a person against whom criminal prosecution is carried out to be informed of his/her rights;
4. the right of a person to access the evidence on which the accusation against him/her is based.

The main provisions of the right to translation are:

1. the right of persons subject to criminal prosecution to free interpretation and translation in criminal proceedings;
2. the main purpose of the right to translation - ensuring the right to a fair trial;
3. the limits of the exercise of this right are applied at all stages of criminal proceedings;
4. the decision to involve an interpreter and which documents must be translated is made by the competent authorities, but the suspect's defense counselor may request the translation of additional documents, and the final responsibility for this decision rests with the court;
5. interpretation and translation must meet certain standards sufficient for the suspect to understand the nature of charges. Interpretation must ensure the 'effective participation' of a suspect in the process. Only those documents that a suspect 'must understand to have a fair trial' need a translation;
6. the state has an obligation to ensure sufficient qualification of the translators and interpreters involved to provide correct translation and interpretation;
7. to verify the correctness of the interpretation, the state must ensure the technical recording of procedural actions with the participation of the translator;
8. all costs associated with the exercise of the right to translation are borne by the state.

Despite the fact that according to the national legislation, the representatives of the prosecution are also obliged to comply with certain requirements when informing a person detained in Ukraine wanted by a foreign state in connection with the commission of a criminal offense, namely: be proactive; provide such information immediately; to inform a person about the grounds for detention in a language he/she understands (article 29 of the Constitution of Ukraine, parts 4, 5 of article 208 of the CPC, part 3 of article 212 of the CPC, part 7 of article 582 of the CPC), systematic analysis of current legislation, study of the criminal proceedings records and the survey of practitioners allowed us to conclude that there are certain obstacles in the implementation of the above requirements in the practice of the prosecution, namely: despite the fact that almost all interviewed practitioners (93%) said that they do not violate the requirement of immediate information about the grounds for detention, the authors of the study 'Human Rights Behind Closed Doors'. The report on the results of the research 'Procedural Safeguards of Detainees' calls into question the following

conclusions and states that it is extremely difficult to verify in practice whether a person has indeed been informed of the real reasons from the first minutes of detention.

The first official document stating the person's initial charges is a detention report, a copy of which must be immediately served to the detainee and sent to the prosecutor (part 5 of article 208, part 2 of article 582 of the CPC of Ukraine). However, the problem is that the CPC does not clearly state when exactly a report on a person's detention should be drawn up (Belousov 2015). In addition, according to some scholars, since Chapter 44 of the CPC of Ukraine does not contain any instructions of the legislator on the procedure for drawing up such a report, its name, and details, this gap should be filled by amending the CPC of Ukraine with a new article to determine a name of such a report 'Protocol of notification and clarification of the rights of a person in respect of whom the issue of extradition to a foreign state is being considered'. Scholars believe that such a protocol, in addition to the mandatory details provided for in article 104 of the CPC of Ukraine, should enter information about: the sequence of actions (notification of the list of rights defined in article 581 of the CPC of Ukraine); participation of all persons present during the detention (Basysta 2016), etc.

There is no norm in the CPC of Ukraine regarding the immediate interrogation of a detained person. As a result, a person can find out the real grounds for detention a few hours after the actual arrest (Belousov 2015). In our opinion, the violation of the requirement to immediately notify a person of the grounds for his/her detention is facilitated by the lack of a common understanding of who is the authorized official for detention, and therefore the duties imposed on such a person, including informing about the grounds for detention, are often not fulfilled. The provisions on the grounds for detention of persons whose extradition is requested are also inconsistent. The grounds for detention of a person whose extradition is requested are foreseen in article 208 of the CPC of Ukraine, taking into account the peculiarities of Chapter IX of the CPC (part 7 of article 585 of the CPC of Ukraine). The analysis of the articles of Chapter IX shows the absence of such peculiarities related to the detention of a person whose extradition is requested, except for those provided for in article 582 of the CPC of Ukraine. The procedural law also does not contain grounds for re-detention and re-application of temporary arrest, although the implementation of re-extradition arrest is established by part 13 of article 584 of the CPC of Ukraine. Among the list of grounds for detention of a person (articles 207, 208, 582 of the CPC of Ukraine) there is no such ground as declaring a person internationally wanted with the aim of extradition. This violates the principle of legal certainty of procedural law, and the lack of a definition of the grounds for detention of a person who is internationally wanted for extradition allows such a person to further appeal his/her detention as unlawful to the investigating judge.

The results of the survey show that practitioners are fully aware of their obligation to immediately inform the detainee of the grounds for his/her detention in a language

he/she understands, but almost all of them state that they are currently unable to properly ensure this requirement. due to the lack of round-the-clock linguistic assistance and inefficiency during the detention of the existing mechanism for attracting translators through the Centers for Free Legal Secondary Assistance (Resolution of Cabinet of Ministers of Ukraine 2016).

The lack of regulation in the legislation of clearly defined grounds for the involvement of a translator also negatively affects the process of ensuring the right to translation. To resolve such conflict situations, we consider it is appropriate to amend the CPC of Ukraine, which provides that the decision to involve an interpreter at the expense of the state during the proceedings should rely on the judge, and during pretrial proceedings and international cooperation - the investigator or prosecutor. However, as the final responsibility for ensuring a fair trial rests with the judge, we consider it necessary to allow the defense to appeal to the investigating judge against the investigator's or prosecutor's refusal to engage an interpreter.

According to A. Hora (2017) when deciding on an interpreter, the above-mentioned participants should make sure that the absence of an interpreter does not prevent the person from taking a full part in resolving the issue that is crucial to him, and in cases where the defense tries to prove that the suspect or accused does not have a proper command of the language in which the trial is conducted, the above-mentioned participants should determine the expediency of hiring an interpreter based on a detailed analysis of the suspect's (accused's) previous language experience (ECtHR judgments: *Kuskani v. the United Kingdom*; *Lagerblom v. Sweden*).

According to Nychka (2015, 186) lack of legislation in the definition of who can be a translator, specific requirements for such persons, and a list of documents confirming their authority, as well as difficulties in finding translators who would be specialists and meet the requirements for their qualifications. A survey of practitioners and a study of investigative and judicial practice led to the conclusion that frequently the documents confirming the authority of the translator are a document on the education and qualifications of the translator (diploma of relevant education). At the same time, the peculiarities of professional legal language, which requires specific knowledge and skills, including understanding the legal aspects of processes and phenomena, encourages a critical evaluation of this approach, as a diploma in language does not guarantee qualified legal translation.

To find translators who would be specialists and meet the requirements for their qualification, in 2013 a Reference Register of Translators/Interpreters (The Register of Translators) was created in Ukraine (Order of the Ministry of Internal Affairs of Ukraine 2013), but in practice, neither pre-trial investigation bodies nor courts use this register. Due to certain shortcomings of maintaining such a Register, as well as the inconvenience of its use, the access to the information is closed and it can be obtained only by requesting a specific person. Also, the Register does not always contain

information about the translator/interpreter who speaks and understands the language fitting a person for whom it is necessary to involve such a translator/interpretation. Thus, today the Register of Translators does not fully meet the requirements to guarantee the mandatory involvement of an interpreter who meets all the necessary procedural professional criteria, which also does not contribute to the effective exercise of the right to a fair trial within a reasonable time (Decision of the Council of Judges of Ukraine 2016).

Inability to provide the documents provided for in part 4 of article 583 of the CPC of Ukraine within the period prescribed by the CPC of Ukraine, in particular, due to the lack of translation/interpretation into Ukrainian of some documents attached to the international request.

An analysis of criminal records and interviews with practitioners has also shown that judges refuse temporary detention resulting in the release of detainees in recent years. Such decisions are usually substantiated by the prosecutor's failure to provide the documents foreseen in part 4 of article 583 of the CPC of Ukraine, or their improper, in the opinion of the courts, registration; the lack of translation into Ukrainian of some documents attached to the request (procedural decisions on bringing as a defendant and detention, identity documents), failure to provide data that would indicate a deliberate evasion of a person from appearing before the judiciary, etc. At the same time, the courts do not take into account that the current legislation sets minimum requirements for the number of documents and information provided to the court with a request for temporary arrest, as procedural decisions are made in a foreign country and their translation into Ukrainian at the time of detention cannot be made in time. Providing other data of criminal proceedings by foreign pre-trial investigation body in addition to the specified paragraph 2 part 4 of article 583 of the CPC of Ukraine at this stage is not provided. Documents that contain information about the commission of a crime by a wanted person on the territory of a foreign state are documents that in any way indicate the fact of committing criminal acts on the territory of another state. At the same time, the current legislation does not specify the types of such documents, as well as their affiliation to a particular government agency or organization. A supporting document, in this case, maybe a letter from Interpol about the presence of a person on the international wanted list for arrest, a foreign court decision to detain a person or a reference to the existence of such a decision, and so on (Rohalska 2019, 151-153).

The authors of this paper also consider too strict the requirement set by the legislator to the parameters of the period of 60 hours for the prosecutor to attach to the request for temporary arrest originals or duly certified copies of the documents from the foreign state. The prosecutor does not have them immediately and it is impossible to obtain them within 60 hours, as well as the lack of information on whether a foreign body will request the extradition of such a person leads to the complexity of the



procedure of careful preparation of materials for the detention of an internationally wanted detainee (Rohalska 2019, 156).

According to the respondents, the Court's remarks on the submitting of the relevant documents are also unfounded. It should be noted that the application for temporary arrest under article 583 of the CPC of Ukraine must be considered as soon as possible, but no later than 72 hours from the date of detention. It is virtually almost impossible to obtain properly executed documents from a foreign state during this time. In addition, the norms of the above-mentioned international agreements provide that the requests for the application of temporary arrest can be made by fax, telegraph, mail, and Interpol channels.

Part 4 of article 548 of the CPC of Ukraine provides for the receipt of requests by electronic, facsimile, or other means of communication. When releasing persons from custody due to the refusal of the courts to apply temporary arrest, it should be taken into account that such persons continue to be internationally wanted and are subject to valid decisions of foreign courts on detention, in connection with which following articles 208, 582 of the CPC of Ukraine, their detention is a direct duty of the law enforcement agencies of Ukraine. Failure by the law enforcement agencies to fulfill their obligations under international instruments to detain persons wanted by foreign law enforcement agencies for arrest and extradition on the territory of Ukraine, and their further extradition to requesting states if there are grounds for that, may lead to negative consequences and deterioration of state's image in general.

## CONCLUSION

Thus, the results of the research suggest that, in addition to certain problems with the implementation of current criminal procedure legislation of Ukraine, which regulates the use of extradition and generally meets European standards. Although, there are some gaps in the national legal regulation of extradition that may adversely affect the observance of the rights and freedoms of persons to whom it is applied. To ensure European standards during the extradition, the author of this paper considers it appropriate:

1. to amend the CPC of Ukraine with a list of norms about the content of the right to translation; grounds for hiring an interpreter; qualification requirements to be met by the translator; a list of documents confirming the qualification of the translator; persons who make the final decision on the need to involve the interpreter/translator; the procedure for engaging an interpreter through the centers for free secondary legal aid, including during the detention of a person; grounds for detention;
2. to develop an effective mechanism for the round-the-clock provision of urgent linguistic assistance for persons who are being prosecuted and who do not speak



the language of criminal proceedings. We see the way out to create at the expense of the state registers of interpreters and translators, which would function by analogy with the Unified Register of Lawyers of Ukraine;

3. continue to implement in all units of pre-trial investigation and pre-trial detention facilities the Custody Records System through which it is possible to record all actions that occur with a detainee from the moment of his actual detention until the issue of choosing a measure of restraint, in particular, the rights of the detainee; and
4. increase the period during which the prosecutor is obliged to add to the application for temporary arrest documents (originals or duly certified copies thereof) from a foreign state body. 🌐

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# THE CURRENT STAGE OF BASEL III APPLICATION AND ITS CONSEQUENCE ON FINANCIAL STABILITY: EVIDENCE FROM KOSOVO

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**Abstract:** *The study aims to explore the divergences around the implementation of the Basel III agreement, since this agreement is considered the core of the international regulatory response to the financial crisis, setting the strictest criteria for capital structure and risk assessment. This paper explains the current level of legislation that applies in Kosovo, as well as possible divergences with the criteria set by Basel III. It is argued that the national authority, explicitly the CBK, to decide on the implementation of Basel III, had to agree on three aspects and potentially conflicting between them: the stability of the banking sector, competition, and care for economic growth. Finally, the study concluded that Kosovo is implementing Basel III regulations with greater ease and attention, contributing to banking sector stability, competitiveness, and economic growth.*

**Keywords:** *Banking System; Financial Regulation; Capital; Risk Assessment*

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## INTRODUCTION

Numerous authors have argued that regulations for banking activities remain of great importance which increases the quality of investments in the economy so that depending on the quality of lending to support a higher and better economic growth which is necessary to support employment and economic development of the country. The banking industry is characterized by the problem of moral risk, which encourages banks to take on more risks (Ben-David *et al.* 2020). Exposure to excessive risk can lead to rising social costs.

The trend of globalization is modifying the structure of banking markets around the world, highlighting quite thoughtful matters related to financial stability. The current crisis confirms that the speed of spread and the magnitude of its negative consequences were also determined by the degree of the intertwining of the financial system of diverse states between them. This determines the risk of exposure as well as the degree

of export or import of the crisis (Durguti 2020). This is clarified by the fact that the global crisis appeared with shock waves escalating in time. The first wave affected states through financial systems as well as mergers at a very high rate, while the last wave affected countries where the rate of opening and merging of their countries was relatively small. This group particularly includes the economies of the Western Balkans and in specific Kosovo. The potential risks become even sharper for the countries of the Western Balkans, given that the banking systems they have created are relatively new and inexperienced.

In the monetary history of Western Europe, it has been documented that the monetary crisis is not a new phenomenon. Europe has experienced economic crises in almost every decade within the last 400 years (Franklin and Douglas 2007; Kindleberger 1978, 264). It is a well-known fact that even economies with sophisticated technology as well as adequate managing of financial organizations cannot be immune to financial crises. It is the occasional appearance as well as recurrence of financial crises, despite its various forms, that imposes an in-depth study of their history in terms of guidelines and strategies aimed at improving systems (red flag), to isolate and limit their pervasive effect and at the same time facilitate crisis managing and reestablish the standard administration of markets as well as the economy as a whole. The trend of globalization of banking markets poses the necessity for superior advancement and control of financial intermediaries and the enforcement of regulations as a necessity for creating financial and monetary constancy. The Basel Committee on Banking Supervision (BCBS) has continuously promoted and published documents on banking supervision guidelines, starting with Basel I to Basel III, going through many debates to have a new regulatory framework on banks' capital as well as liquidity requests.

The enforcement of the new regulation according to Ademati *et al.* (2013) has aroused numerous debates by various researchers expressing positive and negative arguments. Implementation of regulations, on the one hand, has the logic of application that higher capital necessities affect (i) the creation of a sound financial system by reducing the risk of bank bankruptcy, (ii) in reducing systemic risk, and (iii) there will be low social costs as a result of eliminating the moral hazard. On the other hand, Angelini *et al.* (2011) arguments in contrast to the new capital regulation, as the main argument are that high capital requests will raise the cost of financing for banks (equity financing is relatively more expensive than borrowed financing), which will affect: (i) slowing the growth of lending and bring hypothetically detrimental effects to the economy, and (ii) affecting declining profitability, by reducing profits redistributed and eliminating opportunities for future expansion of banking operations (BCBS 2011). A different view from Angelini *et al.* (2011) has been underlined by Durguti *et al.* (2014) where they argue that well-capitalized banks can easily withstand financial shocks and that in these respects their cost increase is minor concerning benefits.



Therefore, the main purpose of this study is to take a closer look at the potential impacts proclaimed by critics on capital regulation, as well as the level of application of this directive in Kosovo. The paper is structured in that form, where an introduction to the influence also the prominence of applicable rule in the financial industry is initially presented, another section analyzes the requests arising from the Basel III regulatory context, the third section includes the Kosovo financial structure and the comparability of the adoption of this directive, and finally, the conclusions are reflected.

## THE IMPLEMENTATION OF BASEL STANDARDS

### *The Implementation of Basel I and II Regulatory Reforms*

Earlier in 1974, no worldwide regulations were governing the banking business, but after the bankruptcy of Bankhaus Herstatt in Germany and Franklin National Bank in the USA, the governors of the G10 central banks agreed to issue a regulatory package recognized as the Basel Committee on Banking Supervision. The purpose of this agency was to establish a standard directive for all banks operating in global markets and to establish good governance performance, and as such initially had no supervisory authority and its conclusions had no legal force, but were under the will of national supervisory authorities. This guideline initially focused on capital adequacy, which had decided for two ratios: CET1 to risk-weighted assets at 4% as well as total capital to risk-weighted assets at 8%. Banks to calculate these two indicators, no doubt had to be careful about risk exposure, respectively investment portfolio to evaluate their assets. According to Simmons (2001), the 1988 Agreement has two main objectives: a) to be impartial, to be at a high level under the applications in the banks of different states, to reduce the competitive inequality of global banks as well as b) should serve to reinforce, correct as well as stabilize the global banking system.

It seems that the Basel I regulation was not enough to fully assess the dissimilar types of risks. In the current conditions of development, financial institutions, respectively banks face not only credit risk, but a wide variety of financial risks, which within the regulation and strategy of Basel II should have a new approach to these risks. Innovations within banking services such as financial derivatives and securities have greatly affected the decline of traditional banking services (BCBS 2008; Arnaboldi and Rossignoli 2015). As a result of these innovations, the Basel I regulation was no longer sufficiently a benchmark for measuring capital adequacy as well as about the current risks that banks will face due to these innovations supported by new technologies. Based on all these developments specified above, Geoffrey *et al.* (2008) have underlined that there is a need to aim for more complete rules in line with the new challenges of

the banking system, which was concretized on 15 January 2004<sup>1</sup>, with a more advanced regulation, recognized as the new agreement on capital like Basel II.

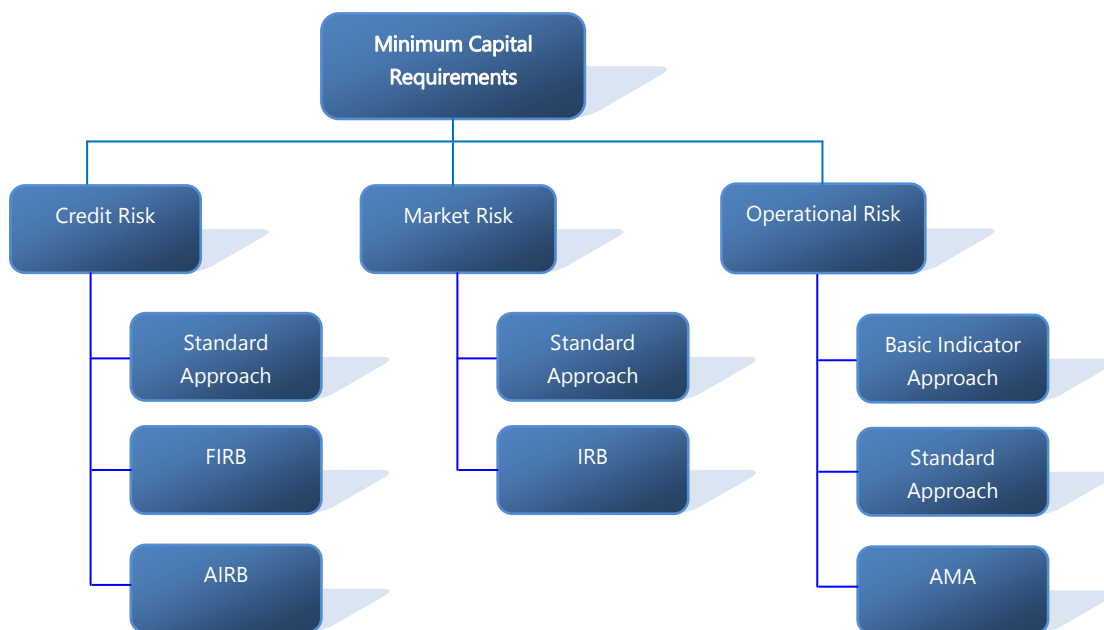
The Basel II Agreement is considered an 'example of soft law' which is not legally binding on countries. This means that although expectations are in the contentment of their pledges, there is no sanction in not fulfilling or bypassing them (Gordy and Howells 2006). The new capital Agreement includes three areas, the so-called 3 columns of Basel II, a) minimal capital necessities, b) revision of the supervisory practice, and c) market discipline. So, this Agreement was again constructed on the capital, but in addition to credit risk, a singular emphasis is given to market risk and operative risk, which is measured as a novelty in this regulation compared to previous, that the focus was only on credit risk. Conferring to BCBS II, there are numerous aims as:

- Maintain a stable and sound financial system,
- Build a meaningful correlation concerning the bank's off-balance-sheet besides balance-sheet items about hazard exposure,
- Make stronger link among worth regulatory capital as well as hazard oversight set out in Basel II,
- To increase strictness in the market, throughout better evidence about risk profile, risk measurement techniques, and capital,
- Build a regulatory framework that will be appropriate for financial innovation (BCBS 2008).

Based on the new Agreement, about measuring the capital appropriateness of banks, three categories of threats should be assessed, comprising credit, market, and operating risk on the one hand, and the definition of approaches for their estimation on the other hand (Figure 1).

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<sup>1</sup> Bank for International Settlements. *Implementation of Basel II: Practical Considerations*. Basel Committee on Banking Supervision (2004, 40). Available at: <https://www.bis.org/publ/bcbs109.htm>



**Figure 1: BCBS II New Requirements (Source: BCBS 2007)**

Thus, based on the figure presented above, on the defined criteria as well as the approaches that should be applied in the evaluation, the equation expressions are:

$$CAR = \frac{\text{Total capital}}{RWA + [12.5 * (\text{market risk} + \text{operational risk})]} \geq 8\%$$

### *Review of the Basel II Regulatory Framework and the Needs for Basel III Proposals*

The economic crisis of 2007-2008 identified certain real dilemmas in the regulatory and oversee context of the financial intermediaries and in specific of banks. Endorsements from the highest level of world finance (US Treasury, US Federal Reserve, G7, G8 countries, BCBS, World Bank, IMF) decided that the worldwide structure for financial arrangements needs to be urgently reviewed and strengthened through stricter requirements. This strengthening has been interpreted as the improvement of general as well as universal principles of good practice in parts such as data giving out, banking supervision, corporate governance, and accounting (IMF, BCBS, Financial Stability Forum, G20 states in 2008).

All strategies and recommendations for increasing the ability to predict the recurrence of banking crises and minimize their chain effects were considered important, clarification, completion, and adequate implementation of policies as well as supervisory institutions.

At the Cannes meeting held on 4 November 2011, the regulatory authorities were called upon to fulfill their commitment to the full and continuous implementation of the Basel II regulation on risk management, as well as the Basel II-5 on additional requirements for trade activities and financial innovations up to the end of 2011, and with the start of Basel III regulation on capital and liquidity standards, respecting the transitional periods from January 2013 and full completion by January 2019.

During this period there has been a lot of debate about the transnational banking system, whether the banking system would have been affected by these crises if the capital regulation known as Basel II was fully enforced. During these discussions, the prevailing view was that the Basel II principles had not been sufficient to withstand these shocks and that the crisis had revealed many shortcomings which needed to be corrected as soon as possible. Basel II has been criticized especially for its low orientation on the significance of liquidity ratio analysis as well as its very high reliance on specialized agencies such as Moody's, Standard and Poor's, Fitch on the classification of loans that have lost credibility. International institutions such as the IMF and the World Bank were also dissatisfied with the course of the application process of Basel II, especially because of the difficulties with application in the United States, which means different regulations for banks around the world, problems with subsidies, problems with the regulatory authority as well as for the time delay on the application of the new rules. Following these criticisms, the BCBS began reviewing Basel II and creating a new regulation almost immediately. In September 2008, BCBS put out a paper titled 'Sustainable Principles on Liquidity Risk Management and Supervision' (BCBS 2008). This was the first reaction to one of the shortcomings of Basel II which had not addressed liquidity and risk management in general sufficiently. In July 2009, BCBS published the final version of its regulatory effort, a document titled 'Review of Basel II Market Risk Regulation' (BCBS 2010).

This regulation includes techniques that should be promoted around capital adequacy for stages of monetary turmoil, to improve the quality of capital, and also how to calculate the leverage ratio. All of these techniques specified in the revised regulations have become an important part of the new Basel III regulations.

### *Basel III Regulatory Requirements and their Specifics*

The core reason for moving from Basel II to the new regulatory outline was to respond to the monetary crisis by reinforcing regulatory authorities as well as supervisory rules. BCBS has developed a new framework to improve the banking segment's ability to absorb shockwaves and reduce the effects of crises. According to the BCBS and (Drezner 2010), the crisis was caused by the deterioration of the capital base in two respects, both in terms of quantity and quality, insufficient coverage of the liquidity level, exceeding the ratio of leverage, and the pro-cyclical reduction of the

leverage ratio. The new regulation is designed to make substantial reforms aimed at addressing previous regulatory failures. The new regulation should be based on careful analysis at the micro and macro levels. At the micro-level, it tries to create the highest resilience in the face of economic and monetary shocks by banks, while at the macro-level; the focus is on risk analysis worldwide as a whole. The new Basel III regulation is based on the three pillars introduced under Basel II, but with some stricter requests on the conduct of Capital Adequacy Ratio (CAR), liquidity, and risk assessment as a whole.

The new guidelines on CAR will raise the quality and quantity of capital that intermediaries' organizations should have by tightening the environments of what can be classified as capital as well as growing the requisite proportion of this capital to Risk Weighted Assets (RWA). To understand how to raise the quality of capital it is considerable to understand the main definitions of capital and how they have changed with the introduction of Basel III. Capital according to Basel II consisted of first-class, second-class, and third-class. However, through the entry into force of Basel III, the redefinition of the first-class (the basic capital of the bank and the supplementary capital of the first class), the harmonization of the second class, and the third class were eliminated. For every single of the three groups of capital mentioned above (shares, supplementary share capital, and second class), special standards are defined, where each mechanism must be included in the respective category.

Tier 1 capital: signifies the share equity of a bank, which contains share equity as well as retained- earnings. With the introduction of Basel III, some types of capital were classified as fewer qualitative, such as deferred active tax, and were excluded from sorting as first-class capital. The new rules also exclude in most cases the recognition of non-controlling interests as part of the initial capital.

Tier 2 capital: represents 'secondary' capital, less quality than tier 1 capital, which included elements such as unreported funds, total reserves, subordinated debts, as well as those assets which are known as 'hybrid' capital. 'Hybrid' capital is that capital that has some debt-like qualities (payments to investors that are classified as interest and therefore deducted as expenses for tax purposes) but that is seen as capital from the point of view of depositors because it comes after deposits in the liquidation hierarchy. With the introduction of the new Basel III rules, most of the 'hybrid' capital, as we know it, will not be able to be classified as second-class capital.

Total capital: is the amount of first-class and second-class. It is important that the second-class cannot be greater than the first-class, which is worth it that at least 50% of a bank's total capital must be first-class. To understand what it means to upturn the minimum required capital, it is essential to understand how the amount of capital is measured and how it has changed with the introduction of the Basel III regulations. Both under Basel II and Basel III the prerequisite minimum capital for a bank is expressed as the ratio of capital to total RWA.

To calculate the total RWA a bank's assets are weighted according to notional risk categories, which are assigned a risk weight following the amount of capital required to support them. The next table summarizes the formulas for measuring the quantity of capital, the mandatory minimums under Basel II then Basel III and the modifications in the mandatory minimums among Basel II and Basel III.

**Table 1: Specifics of Changing Requirements (Source: BCBS 2017)**

Ratio	Equation	Basel II	Basel III	Difference
Minimum Capital Ratio	Paid Capital / RWA	2.0%	7.0%	5.0%
CET1	Tier 1 Capital / RWA	4.0%	8.5%	4.5%
Total Capital Ratio	Total Capital / RWA	8.0%	10.5%	2.5%

From Table 1, it is clear that the mandatory minimum for all capital measures has increased, but these increases have been applied since January 2013, and the deadline was January 2019. However, it is worth remarking that this framework is constantly undergoing modifications, adapting to the created situations and, the sole purpose of which is to reinforce and maintain financial steadiness. The transitional agreement on the slightest capital under Basel III in (%) is.

**Table 2: Increase in Capital Ratios and Transition Periods (Source: BCBS 2017)**

Ratio	2013	2014	2015	2016	2017	2018	2019
Minimum Capital Ratio	3.5	4.0	4.5	4.5	4.5	4.5	4.5
Capital Conversation Buffer				0.625	1.25	1.875	2.5
Minimum Capital + CCB <sup>2</sup>	3.5	4.0	4.5	5.125	5.75	6.375	7.0
Minimum of CET1	4.5	5.5	6.0	6.0	6.0	6.0	6.0
Minimum of Total Capital	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Minimum of Total Capital + CCB	8.0	8.00	8.0	8.625	9.25	9.875	10.5
Liquidity Coverage Ratio					80	90	100.0
Net Stable Funding Ratio						100.0	

Although this temporary period is deliberated as an adequate period to implement these principles and standards, in 2017 a review of the provisional period was ended and this extended period is the known period 2017-2027, undergoing some fundamental changes especially on the part of risk coverage (BCBS 2017).

<sup>2</sup> CCB: Capital Conversation Buffer.

### *The Final Basel III and its Impact on Capitalization of Banks*

In 2017, the Committee has decided to make some necessary reforms of Basel III, which in the intermediary industry is known as Basel IV, which should start to be implemented from January 1, 2022. The key objective of this framework is to restore the credibility of this regulatory framework. Even based on this proposal, the share of capital remains the main issue but gives the greatest focus on risk. And the equation is:

$$\text{Risk – based capital ratio} = \frac{\text{Regulatory capital}}{\text{Risk – weighted assets}}$$

Thus, as we have pointed out earlier in almost all the changes made over the years, the focus was on the quality of regulatory capital, and the greater than before focus on assets exposed to risk. The reason for the focus is that banks fund their reserves with a mixture of the capital configuration as well as the financial instruments known as debt, although the quality of the capital configuration can consume losses that may occur as a result of a default on their part by the borrowers. Regulatory capital devours losses and some concerns as follows:

- CET1 contains ordinary shares, retained earnings, and other reserves. These portions are measured to be of the highest quality of capital and devour immediate losses.
- AT1 (additional level of capital): consists of capital market instruments that have a fixed maturity. These instruments ensure the absorption of losses on the logic of concern and
- T2 (second level): consists of subordinated debt and loan loss provisions. This part is a disturbing part of the capital and as such can devour losses only in the process of bankruptcy before other depositors and creditors.

**Table 3: Composition of Basel III (Source: Author's summary and BIS 2017)**

CET1 (going concern)	Ordinary shares (CET1)	CET1 ≥ 4.5%
	Additional Tier 1 (AT1)	CET1 + AT1 = ≥ 6.0%
T2 (going concern)		CET1+AT1+T2 ≥ 8.0%

Commencing what has been analyzed and emphasized above, even in the transitional period on the application of new standards under Basel III, a detailed focus has been given to the approach to the risk exposure pattern. This main concept of the package has been translated into numerous different measures, including:



- Input floors and other restrictions that set minimums for the parameter estimates going into the risk-weight functions and restrict the use of the more advanced approaches using their estimates of loss given default.
- Output-floors providing a least possible Risk Weight Exposure Amount (REA) for banks using inside models set at 72.5% of the REA calculated using the standardized methods, i.e. devoid of the use of inside models.
- A revised standardized method for credit risk to increase the risk sensitivity of the standardized method for credit risk. This includes a more granular risk weighting method for residential real estate exposure (where risk weights now depend on the loan-to-value ratio).
- Revisions of the market risk and Credit Valuation Adjustment (CVA) risk framework. These limit the use of inside models for market risk and entirely remove the possibility to model CVA risk based on internal models. Also, the standardized approaches for market and CVA risk have been revamped.
- A new framework for operative risk that replaces approaches constructed on inside models as well as the original three standardized approaches.

**Table 4: The main changes to the IRB approach for credit risk (Source: Author's summary and BCBS - Finalizing Basel III, in brief 2017)**

Exposure Class	The Method Allowed Under New Standards	Change Allowable Methods Relative to Current CRS
Banks and other Financial Institutions	SA or F-IRB	A-IRB Removed
Corporates Belonging to Groups with Total Consolidated Revenues Exceeding EUR 500m	SA or F-IRB	A-IRB Removed
Other Corporates	SA, F-IRB or A-IRB	No Change
Specialized Lending	SA, Supervisory Slotting, F-IRB or A-IRB	No Change
Retail	SA Or A-IRB	No Change
Equity	Sa	All IRB Approaches Removed

## THE CURRENT STAGE OF APPLICATION OF BASEL III IN KOSOVO

### *Features and Actual Stage of the Application*

Kosovo's banking structure is considered a success story, knowing the specifics and challenges of restoring public confidence. We base this on the arguments that Kosovo before the 1990s had installed a violent system from the former Yugoslavia which had a functional system that did not consist of a free market economy. At the end of 1999, the United Nations Interim Administration Mission in Kosovo (UNMIK) in close cooperation with the assistance provided by the International Monetary Fund (IMF), issued regulations for the formation of the banking intermediary sector in Kosovo starting from zero, which had the main purpose of building a complete lawful guideline to create environments for the development of financial organizations. On 15 November 1999, based on Directive No. 1999/20<sup>3</sup> the 'Banking and Payments Authority of Kosovo' (BPK) was recognized, to assist the economic improvement of Kosovo by providing a well-organized payment system and a wide-ranging banking system. To advance the competencies of the BPK regarding the guideline, licensing and monitoring of financial institutions, Regulation No. 2001/24 has been issued amending Regulation No. 1999/20. This regulation creates the legal basis for licensing, supervision, and regulation of insurance companies and intermediaries as well as pension funds.

In August 2006, UNMIK issued a new regulation on the 'Central Banking Authority of Kosovo' (CBAK)<sup>4</sup> and based on this Regulation, the competencies, as well as the independence of the CBAK, have increased. The status of the CBK is defined in articles 11 (2) and 140 of the Constitution of the Republic of Kosovo and Law No. 05/L-209 on the Central Bank of Kosovo, which clearly defines the competencies, objectives, tasks, associations with the state, associations with financial intermediaries and the functions of the payment system, regulatory capital, organization and administration, financial statements and financial control. The regulatory authority, respectively the CBK, making full use of the assistance of credible institutions, has accepted the legislature and regulations, as well as other regulating acts recommended by the BCBS. This regulatory package contains the following decrees:

- Law No. 05/L-150 on Amending and supplementing the Law no. 03/L-209 on Central Bank of the Republic of Kosovo (revised on 23 March 2017);
- Law No. 04/L-093 on Bank, Microfinance Institutions and non-Banking Financial Institution (approved on 11 May 2012);

<sup>3</sup>UNMIK Regulation No. 1999/20 on 'Banking and Payments Authority of Kosovo'.

<sup>4</sup>UNMIK Regulation No. 2006/47 on 'Central Banking Authority of Kosovo'.

- Law No. 05/L-116 on Amending and Supplementing the Law No. 04/L-101 on Pension Funds of Kosovo, amended and supplemented by the Law No. 04/L-115 and Law no. 04/L-168 (approved on 1 January 2017);
- Law No. 05/L-155 on Payment System (approved on 3 May 2013);
- Law No. 05/L-045 on Insurance (approved on 24 December 2013);
- Law No. 03/L-216 on the Establishment of a Deposits Insurance System for Financial Institutions in Kosovo was approved on 23 November 2011, and amended and supplementing Law No. 04/L-133 (approved on 21 January 2013);
- Law No. 05/L-057 on Establishment of the Kosovo Credit Guarantee Fund.

### *Level of Implementation and Degree of Comparability*

Level of implementation of the package according to the requirements of the Committee (BCBS) in Kosovo, almost all the recommended requirements are met and at the same time are being implemented precisely by the commercial banks that perform their activity. This level of implementation has been further facilitated by the exercise of banking activities by banks coming from Eurozone countries, which have obligations to the regulatory bodies where they come from. On the other hand, it is worth mentioning that commercial banks now have professional staffs that are competent to apply this regulation strictly. Also, the aspect of corporate governance is a critical issue considered as the cause of the financial crisis of 2008-2009. Therefore, based on this, the implementation of corporate governance components is a strict requirement set by the Central Bank of Kosovo and the BCSB. In this regard, based on the latest study conducted by Durguti and Kryeziu (2021) it has been argued that commercial banks operating in Kosovo are strictly implementing the requirements on the principles of corporate governance. Therefore, in the table below are presented the requirements from finalizing Basel III and the degree of applicability.

**Table 5: Comparative Level of Implementation of Basel III in Kosovo (Source: CBK and BCBS)**

Description	Request According to Basel III	Year of Application of Standards in Kosovo	Level of Implementation
Capital	Common Equity Tier 1 – CET1	29.11.2018	√
	Additional Tier 1 – AT1 <sup>5</sup>	29.11.2018	√
	Tier 2 Capital –T2	29.11.2018	√
Risk Coverage	RWA for Credit Risk	29.11.2018	√
	RWA for Market Risk	29.11.2018	√
	RWA for Operational Risk	29.11.2018	√

<sup>5</sup>AT1: In addition to Common Equity Tier 1 banks must have a capital conservation buffer of Common Equity Tier 1 equal to 2.5% of risk-weighted assets on an individual and consolidated basis.

<b>Approaches to Risk-Based Capital</b>	Standardized Approach Used	29.11.2018	√
	A Revised Standardized Approach for Credit Risk	January 2023	X
	Revised IRB Approach for Credit Risk	January 2023	X
	Revised CVA Framework	January 2023	X
	Revised Minimum Requirements for Market Risk	January 2023	X
	Revised Operational Risk Framework	January 2023	X
	Output Floor	January 2023	X
<b>Leverage Ratio</b>	Existing (2014) Exposure Definition	29.11.2018	√
	Revised (2017) Exposure Definition	January 2023	X
<b>Liquidity</b>	Liquidity Coverage Ratio (LCR)	29.11.2012	√
	Net Stable Funding Ratio (NSFR)	29.11.2012	√
<b>Large Exposures</b>	Supervisory Framework for Measuring and Controlling Large Exposures	29.06.2016	√

### *Findings and Discussions on the Implementation Stage of Basel III*


Table 5, in the framework of the investigation, visually reflects the requirements promoted by Basel III, as well as the level of application within the banking structure of Kosovo. The regulatory body, respectively the CBK in relative to capital adequacy, is implementing them strictly, and what is worth noting in some cases has higher ratios than the BIS, the concrete case is the regulatory capital CET1 conferring to the necessities of the CBK should be  $\geq 8\%$ , while the total capital should be  $\geq 12\%$  of RWA. Likewise, in terms of measuring and assessing risk coverage when calculating capital adequacy, the three risk categories underlined with a special emphasis in Finalizing Basel III are included. The approaches that are allowed to be applied by commercial banks are now the basic approach and the internal standardization approach.

Basel III requirements regarding approaches to be applied from January 2023 are revised standardized approach for credit risk, revised IRB approach for credit risk, revised CVA context, revised minimum necessities for market risk, revised operational risk context, and output floor.

Regarding the leverage ratio, the necessities conferring to the instructions and regulations of the CBK are stricter in context to the requirements of Basel III, while affording to the suggestions from the BIS, a review of this component should be done and the application should start in January 2023. And those the other two issues reflected are the liquidity ratios and high exposures are in full implementation since 2012, respectively since 2016 modified and adjusted on-demand. The regulatory and supervisory package of the financial sector in Kosovo consists of even more acts and administrative instructions which regulate this specific field as a very important component of the economy, and the state as a whole.

## CONCLUSION

In the aftershock of the global financial crisis, national regulators engaged in policy-making aimed at preventing, or at least reducing, the severity of future crises. At the worldwide level, through the Basel III Agreement, they revised the political instrument of capital requirements, intending to reconcile three different objectives. This research has argued that a comparative analysis focused on the configuration of national banking systems has a significant analytical impact on the calculation of regulators' preferences, explaining the disagreements that emerged in Basel and ultimately the weakness of the reforms finally agreed by the BCBS, despite the severity of the international financial crisis. The banking system configuration formed the regulator's understanding of sustainability, competitiveness, and growth concerns. We emphasize the particular importance of systematic models in the position of banking capital and bank-industry links to explain this understanding, while also recognizing the potential importance of other factors, including systematic models in the internationalization of banks (Howarth and Quaglia 2016) but also non-bank institutional factors, including the distribution of regulatory competencies in domestic level countries (Lombardi and Moschella 2016) - the examination of which should be the subject of further analysis.

The analysis supported in our concrete case gives us solid indications that the national regulatory authority - the CBK in agreement with other policy-making bodies to a considerable extent - has managed to approximate the legislation in the context of the requirements of Basel III. In this context, commercial banks have also played a dominant and facilitating role by investing in the creation of professional and competent staff with adequate training in European countries. Therefore, from the findings of the study, it is clear that commercial banks together with the regulatory authority - the requirements of Basel III are being competently implemented by the Central Bank of Kosovo. This level of applicability has undoubtedly contributed to the experience and good practices brought by banks coming from developed countries operating in the Kosovo market. And finally, as a general conclusion, despite the demands that a large number of countries have considered that these demands will negatively affect the profitability of banks on the one hand, and increase the cost of social welfare on the other hand in the banking system of Kosovo, neither of these two arguments is emphasized. 

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This article does not contain any studies with human participants performed by any of the authors.

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# THE POWER OF SMALL EU MEMBER STATES AFTER BREXIT: HOW POWERFUL IS THE VISEGRAD GROUP?

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**Abstract:** *The power of individual EU Member States has been changing over the past decades as a result of revisions to the voting systems and the enlargements of the European Union. The present article analyses the development of the voting power of individual Member States in the Council of the European Union before and after the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union. We use the calculation of the standardized Banzhaf power index to calculate the legislative power of the Member States. The calculations recorded in the table point to changes in the weights of national votes caused by Brexit. The article pays special attention to the Visegrad Group, which we define within the European Union as an informal group consisting of four Central European states - the Czech Republic, Hungary, Poland, and the Slovak Republic. The results indicate a significant growth of the voting power in Poland and more moderate growth in the other three Visegrad Group countries which contributes to the shift in the voting equilibrium within the ordinary legislative procedure of the European Union.*

**Keywords:** *European Union; Visegrad Group; Power Index; Banzhaf Power Index; Council of the EU; Small EU Member States*

## INTRODUCTION

The theoretical definition of small states in the theory of international economic and political relations is constantly the subject of several discussions and conflicting inconsistent approaches of many scholars and experts. Several small states have become part of the deepest integration group in the world economy over the past decades. The European Union, taking into account its motto, unites the 27 Member States in diversity, which, from the point of view of the theory of international relations, needs to be divided into several clusters based on power and influence on the formation of European policies. However, the strength and influence of individual states in the formation of European policies can be viewed from two perspectives.

The first is the given representation of individual states in the negotiations of the European Parliament (EP) and the Council of the EU (Council), which is usually quantified

mainly based on the share of Europeans living in a given state. The second, however, is the political practice within the EU and beyond, which divides the Member States into real European powers, explains the formation of coalitions of states, and much more. The present article aims to quantify the nominal power of small Member States in the European policy-making process.

To calculate the real power of the individual Member States, which is statistically given by the weight of their weighted votes, we use the standardized Banzhaf power index. The index values are being calculated twice, depicting the distribution of votes before the United Kingdom of Great Britain and Northern Ireland's (UK) withdrawal from the EU and after. Although the weight of votes of all Member States has increased since Brexit, the voting power of some of them in the Council of the EU has decreased. To illustrate the power of small Member States in a specific case, we use a sample of the Visegrad Group that consists of the Czech Republic, Hungary, and the Slovak Republic as the small EU Member States and Poland as an Eastern European regional power. In recent years, the Visegrad Group has illustrated in some respects a unified and coordinated coalition of states, which shares much of the common history and Central European culture. Unlike many other small states that have become EU members over the past two decades, the Visegrad Group may in case of coordinated voting behavior after Brexit become one of the most pivotal players in the ordinary legislative process in the Council of the EU.

## ON THE THEORY OF SMALL STATES

Even though political science does not currently offer a generally accepted definition that would define a small state, no one doubts the existence of small states in the world economy. The approaches of many theorists do not agree with the strict definition of uniform criteria, which would divide the world economy into several groups of countries according to size. The definitions also differ between the international organizations. The World Bank Group (2016) defines a small country in the world economy as a country with a total population of less than 1.5 million, or it is a member of the Small States Forum of the World Bank. In comparison, the International Monetary Fund (2013) considers countries with a population of less than 1 million to be small countries of the world economy. The Organization for Economic Cooperation and Development (OECD) favors the Commonwealth's definition of smallness, which sets a criterion of less than 1.5 million inhabitants (2018).

International organizations base their assessment of the size of the state primarily on the population criteria. Among scholars and researchers, smallness is defined from an international perspective by a small force and low impact of the state on the international system (Keohane 1969; Rothstein 1968) or according to some basic macroeconomic indicators and their combination (Downes 1988; Hein 1985; Jalan 1982;

Kuznets 1960). The most common criteria are generally the geographical size of the state, population, and the volume of GDP or other indicators of the performance of the national economy (Tönurist 2010). However, for all these macroeconomic indicators, different ideas about the determination of the smallness prevail, and the agreement of researchers on a single criterion is the exception rather than the rule. To introduce the different approaches to defining a small state-based on 2 or more criteria, we present a few illustrative examples.

Krejčí (2007), who confirms that the term small state has a relative character, sets for assessing a small state several criteria: (i) geographical criterion - the area of the state less than 150 thousand km<sup>2</sup>, (ii) population criterion - population up to 15 million and possible (iii) economic criterion - share of the national economy to world GDP not exceeding 1%. In contrast, Thorhallsson and Steinsson (2017) define the smallness of the state through a shortage of resources and capabilities. Thorhallsson (2006) admits the definition of a small state also through the number of inhabitants working in the foreign services of the country. The definition of East (1973) is based on population, size of the economy, size of the state, and military resources as indicators for defining small states. All the researchers encounter the limits of the definitions of a small and large state, as these are very relative terms that require exact rules to be set in research.

Defining a small Member State on a limited sample of countries with one common variable, such as membership of the European Union, seems to require a much simpler theoretical approach. Although the assessment of the smallness of the country in a sample of 27 EU Member States does not find a clear agreement between theorists, the differences between the established criteria for defining conclusions on the size of a Member State are more moderate. Indeed, with the current EU membership base, there is space for dialogue on the division of states into large and small or even some other categories. However, if we look back to the times of post-war Europe, to the germ of modern European integration composed of the so-called Inner Six, the division of states into small and large was much simpler and clearer than it is now. The gradual expansion of the Member States over the last decades and in particular the largest enlargement in 2004, has undoubtedly changed the balance between small and large EU Member States. Undoubtedly, the change in this structure at the beginning of this century sparked a debate on the future institutional security and functioning of the EU and the impact of small Member States with a small population, (Galloway 2002; Hosli and Machover 2004; Moberg 2002) as evidenced by later efforts to adopt the Constitution of the European Union and the Lisbon Treaty.

Different definitions of a small Member State within the EU can be found for example in Gurol and Panke; Thorhallsson and Wivel (2006); Magnúsdóttir (2010). In addition to the primary size characteristics, small EU Member States share several other common features concerning selected economic indicators. As an example, small states tend to prefer an open-door policy as evidenced by the dependence of small EU

Member States on foreign trade (Archer and Nugent 2002; Armstrong and Read 1998; Moosung 2006).

For our chosen research on the change of power of small Member States after Brexit, we will base the assessment of the smallness of a Member State mainly on the population criterion set as the average of EU countries. Such criteria can be found used in many research papers (e.g. Panke 2010). Of the total of 446 million Europeans living in the EU after the UK's withdrawal from the EU, the criterion for assessing the size of a Member State is set at 3.7% (100/27) of the EU population equal to ca. 17.26 million Europeans. By analogy, when defining a small state before Brexit, the criterion is set at 3.57% (100/28) equal to approximately 18.32 million inhabitants (Eurostat 2020). According to such an approach, before Brexit, we can define 7 large<sup>1</sup> and 21 small Member States within the EU. On the contrary, after the withdrawal of the UK, the coalition of small member states changed to a ratio of 20 states to 7 large ones.<sup>2</sup>

### *Council of the European Union and the Voting Power*

The Council of the EU is an integral part of the institutional structure of the current EU. Together with the EP, it represents the EU's legislative bodies, which are responsible for adopting European legislation. Historically, European integration evolved from the original Council of the European Economic Community and the later Council of the European Communities (Kreppel 2014). The members of the Council are generally considered to be primarily individual ministers from each EU27 Member States, who meet (ir)regularly according to the topic of the negotiated agenda. Compared to the EP, in the ordinary legislative process, each Member State is represented in the Council by one vote (Council of the EU 2019). Taking into account the subject matter of the negotiations, the Council decides by a simple majority, qualified majority, and consensus. In the case of a consensus, all Member States thus have the same opportunities to void and block the adoption of legislation. Similarly, in the case of a simple majority vote, all Member States have *de facto* the same nominal options for influencing the outcome of the vote, as regardless of the size of the states from Germany to Malta, one Member State equals to a single simple vote. However, the situation differs in the case of qualified majority voting (QMV).

Over the past decades, QMV within the EU has become a very complex political process, encountering strict voting criteria, as a result of which measures have been much more often rejected. The former revision of the voting system adopted in the Treaty of Nice in 2001 taking into account the expected Eastern enlargement in 2004 set qualified majority criteria for the so-called triple majority voting, which meant that the

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<sup>1</sup>Germany, the United Kingdom, France, Italy, Spain, Poland, and Romania.

<sup>2</sup>Germany, France, Italy, Spain, Poland, Romania, and Netherlands.

proposal had to be adopted by more than half of the Member States with 74% of the weighted votes and, in addition, with the population of Member States in favor of exceeding 62% of the total EU population (Leech and Machover 2003; Tsebelis and Yatağan 2002). However, the weighted votes themselves did not correspond to the actual size of the states in terms of population, as a result of which such voting power was allocated disproportionately. The unfairness of the distribution of weighted votes under the Treaty of Nice can be sufficiently illustrated e.g. by the example of three selected Member States - Italy, Hungary, and Lithuania. Of the 352 EU Council weighted votes before the introduction of the new QMV rules which entered into force in 2014 following the adoption of the Lisbon Treaty, Italy with 29 votes was as powerful as the other three largest Member States. The low proportionality of such a division can be seen in particular in the comparison of Germany and Italy, overshadowing the population difference of more than 20 million citizens. At the same time, Hungary as well as four other 'medium-sized' Member States, had 12 out of a total of 352 votes in the EU Council. However, in comparison with Italy, the Hungarian weighted vote did not correspond proportionally to the size ratio of states on a population basis. Low proportionality can also be observed in comparison with the Netherlands, which compared to Hungary had only one additional vote, despite the country's 60% larger population. The low level of proportional distribution of votes under the Treaty of Nice was also obvious among the small Member States e.g. Lithuania, which had seven votes as well as significantly more populated Denmark, Slovak Republic, and other countries.<sup>3</sup>

The latest revision of the QMV rules established by the Treaty of Lisbon makes the adoption of legislation conditional on the fulfillment of two criteria: (i) 55% of Member States vote in favor (in practice this means 15 out of 27) and (ii) these Member States must represent 65% share of the total EU population. On the other hand, a blocking minority of countries must consist of at least 4 Member States, with a population of at least 35% of the EU population (Treaty of Lisbon 2007). Before the United Kingdom's withdrawal, the Member States criterion was met when voting 16 out of 28 Member States in favor. The currently valid criterion 15 of the 27 Member States under the present Treaty provisions cannot go lower than that. In practice, this means that in case of withdrawal of another state, still, 15 Member States will be necessary for the adoption of legislation by QMV (Besselink, Swider, and Michel 2019). In some special cases, when the EU Council votes on a proposal not submitted by the European Commission or the High Representative, a 72% majority (20 out of 27 Member States) representing 65% of the EU population is required for a proposal to be adopted (Council of the EU 2019).

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<sup>3</sup>To see the exact distribution of votes see Treaty of Nice. Distribution of votes includes all the Member States of 2004 and 2007 enlargements equaling total Council votes to 345. Croatia, as the last acceding country increased the Council votes to 352.



Qualified majority voting is also known as the 'standard voting method' in the Council. In recent decades, it has become the most widely used method of voting in the EU's standard decision-making procedure, which reflects the adoption of legislation in the interests of most Member States and *de facto* Europeans, and allows legislation to be blocked in support of countries with at least a third of EU population (Council of the EU 2020). Concerning the former qualified majority voting mechanism, the Treaty of Lisbon abolished the fixed weightings of national votes set out in the Treaty of Nice and introduced a weighted voting mechanism based on the share of the country's population in the total EU population. Qualified majority voting of the EU Council is governed by article 16 of the Treaty on European Union and article 238 of the Treaty on the Functioning of the European Union. The new model of a qualified minority, the achievement of which is easier according to the newly established criteria, increases the statistical probability of the adoption of legislation up to six times. The number of possible country coalitions to pass the 65% population threshold rose from 2% (Treaty of Nice 74% criterion) to 12% making the Council of the EU six times more decisive (Dings 2014). Unlike the previous system of weighted votes in the EU Council, which had favored mainly medium-sized and smaller states, the Lisbon Treaty's new system significantly favored mainly the largest EU Member States. Before the entry into force of the new system of weighted votes in 2014, the countries of the so-called 'Big Four' (Germany, France, the United Kingdom, and Italy) each with 29 votes, combined for a total of 116 votes out of a total of 352 EU Council Member States votes, representing less than 33% of all votes. New rules in force since 2014 increased the weight of the Big Four votes to around 54%. Together with the other two largest Member States, Spain and Poland, large states kept more than 70% of the voting power.

On the contrary, the remaining 22 smaller Member States under the Treaty of Nice weighted votes distribution amounted for a total of 182 out of 352 votes (51.7%) and since 2014, only less than 30%. The Lisbon Treaty has therefore definitively emphasized the power of the largest Member States to influence the decision-making process to the detriment of the smallest Member States. Thus, since the entry of the new mechanism of weighted votes into force, there have been no fixed weights of Member States' votes. Therefore, the demographic changes in the Member States, the possible enlargement of the EU membership base, or the withdrawal of the state, as in the case of the UK, will be automatically reflected in the change in the weights of Member States' votes in qualified majority voting (Felsenthal and Machover 2013).

During the negotiations on the Lisbon Treaty itself, several other proposed models for the distribution of votes within the qualified majority voting in the Council of the EU also emerged. Poland most strongly rejected the distribution of votes solely based on population. According to the Treaty of Nice, Poland had 27 votes in the Council qualified majority voting, only two votes less than the countries of the Big Four. However, the new model of weighted votes has significantly widened the differences in



the weights of the votes of Poland and the larger Member States, as e.g. Germany's weighted voice has more than doubled since 2014. Poland, therefore, proposed in the negotiations a distribution of votes using the square root method (Penrose method), which would reduce the differences between large and small Member States. Poland was originally supported by Spain, a weighted vote of which suffered a similar fate, and the Czech Republic (Kaczynski 2007). Later on, however, the latter two countries withdrew their objections and Poland approved the new qualified majority voting rules while receiving several concessions on other negotiating issues and the possibility of postponing the activation of the revised voting system to 2017 (Kirpsza 2020).

### *Brexit and the EU Decision-Making Process*

The forty-seven-year membership of the UK in the EU was marked by several specificities. The UK itself is in the history of modern European integration linked to building an intergovernmental alternative to the European Communities of the Inner Six. Together with neighboring Ireland and Denmark, founding members of EFTA, the UK became part of the first enlargement of the European Communities. However, the UK's bid for membership became part of Harold Macmillan's foreign policy, issuing the first application to join the European Economic Community in August 1961. After a double veto on the enlargement of the European Communities to the UK by French President Charles de Gaulle in 1963 and 1967, the French blocking position was finally eased following the election of G. Pompidou as the new French President. The United Kingdom thus definitively began its accession negotiations in 1969, led by the British Prime Ministers Harold Wilson and Edward Heath (Troitino, Kerikmäe, and Chochia 2018), and in 1973, unlike the other acceding states, it definitively became a member of the European Communities without a referendum being held. The first British referendum on EU membership was held on 5 June 1975 as a reference of the Labor Party's manifesto concerning the first renegotiation of the UK's membership in the EEC (Butler and Kitzinger 1996). A two-thirds majority of the Brits participating in the advisory referendum on continued membership confirmed the future of UK membership. Four decades later, a British Conservative's election manifesto interpreted by David Cameron also mentions, in the event of an election victory, the holding of another advisory referendum, which would, over time provide the overview of public temper on UK's future membership in the EU. After the Conservatives' unexpected majority win in the UK general election, David Cameron as the new Prime Minister began the renegotiation of the UK membership in the EU and sooner or later, in February 2016 confirmed the date of the in/out referendum on 23 June 2016 (Riedel 2018). The referendum with its recommended character coincided with the referendum that was held 40 years ago but differed in its outcome, which launched a whole new unprecedented chapter in the history of the European integration project.

During the membership of the EU and its predecessors, the UK was one of the most important political players (not only) on the European political scene. Apart from the UK's position in the highest level of international relations, the existence of the British Commonwealth, and the world's fifth-largest economy, the UK has in many ways become one of the most influential policy shapers of the EU. Policy areas in which the United Kingdom has strongly promoted its interests include, but are not limited to:

- Budgetary matters including Multiannual Financial Framework;
- Economic policy choices (liberalization, regulation, harmonization, and approximation);
- Global free trade;
- Influence of the non-Eurozone Member States *vis-à-vis* the Eurozone countries;
- Internal market consolidation; and
- Security, foreign affairs, and defense policies (Besselink, Swider, and Michel 2019).

The impact of the UK on European policy over the past decades can be illustrated by the example of the UK's representation in the two EU legislative bodies. Going back to the 1970s, the UK's position is equivalent to the other three founding states of the EC, each equal to 81 out of a total of 410 MEPs (at the time of 9 Member States) - equally significant is the representation at the end of its EU membership - 73 out of a total of 751 MEPs (at the time of 28 Member States). Equally important is the illustration of the weight of the British power in the EU Council negotiations. Until 2014, in the EU Council negotiations, the UK had the same weighted vote as the other most populous Member States (Germany, France, and Italy) (Besselink, Swider, and Michel 2019). Following the change in the voting system introduced by the Lisbon Treaty after 2014, the weight of the British vote in the qualified majority voting in the Council of the EU has stabilized, reflecting a population of 12.6%.

The UK has supported the vast majority of measures in the Council over the past decades, e.g., in 2004-2016 it has supported more than 97% of the adopted measures. Nevertheless, it has become the most frequent veto player among all Member States and, in addition, it has a relatively high absence score as well (Hix, Hagemann, and Frantescu 2016). Apart from that, the outgoing country was in many respects the most important coalition partner among the large Member States for some smaller Member States. Such Member States, such as Sweden, the Netherlands, or Denmark (ECFR 2018) will therefore have to find new opportunities to build successful coalitions, as the states themselves need a major European player to build a majority or blocking coalition.

Taking into account the above-mentioned areas in which the UK has most strongly promoted its interests, it can be expected that Brexit will influence, in addition to future EU budgets, issues such as defense, foreign policy, and further political integration.

**Table 1: Representation of the UK in the European Parliament and Share of Votes of the Council of the European Union (Source: Author's own work 2021)**

	1979-1984	1984-1989	1989-1994	1994-1999	1999-2004	2004-2009	2009-2014	2014-2019	2019-2020
<b>Number of MEPs</b>	81	81	81	87	87	78	72	73	73
	1973-1981	1981-1986	1986-1995	1995-04/2004	05/2004-11/2004	12/2004-2007	2007-2013	2014-2016	2016-2020
<b>Share of EU Council Votes</b>	17,2%	15,9%	13,2%	11,5%	8,1%	9%	8,4%	12,6%	12,9%

## METHODOLOGY OF THE RESEARCH AND THE LITERATURE REVIEW ON CALCULATION OF THE VOTING POWER

In practice, it is possible to use several existing models and formulas to calculate the real voting power of individual states or other entities within the collective decision-making process. The Shapley-Shubik Index, the Penrose-Banzhaf Index, and the model proposed by Steunenbergh, Schmidtchen, and Koboldt have become the most frequently used in the scientific literature on international relations and voting mechanisms within existing international groupings. All these power indices have even already been implied in the past in the analysis of the voting mechanism of the Council of the European Union.

The measure of each index is in practice to measure the strength of individual players in a voting game through index values, which often reveal unexpected power distribution that is not obvious from the first sight based on the set criteria and the voting system. The first mentioned Shapley-Shubik index was first published as part of a short paper by the authors in the American Political Science Review in 1954. The paper immediately became one of the most cited articles in social science literature, making the index one of the most recognized indices describing the power of states or other bodies in collective decision-making (Straffin 1988). A specific feature of the methodology of the index is the assumption that voting takes place gradually - votes are cast one by one (Shapley and Shubik 1954), but in practice, it has become used by researchers in evaluating power within the EU Council or UN Security Council.

Another accepted model for calculating the power of individual players in the collective decision-making process has become the Banzhaf power index, also known as the Penrose-Banzhaf index. In 1965, Professor Banzhaf explicitly limited the usability of the Shapley-Shubik index and formalized his calculation of players' strength in collective decision-making (Banzhaf 1965). In quantifying the power index, Banzhaf followed up on the previous work of L. Penrose, who in 1946, in his work 'The Elementary Statistics of Majority Voting', introduced the so-called square-root method for the distribution of

voting rights in proportion to the square root of the population of individual countries (Penrose 1946). The Banzhaf power index is generally defined by the different probabilities of a change in the voting result within a set of players or entities that do not have the same number of votes.

With the two theoretical approaches mentioned above, it should be noted that the use of both methods of calculating the distribution of forces within a set of players originally took place mainly on a set of members of national legislative bodies, voting of judges, executives, or shareholders in companies or a wide sample of the constituents of a voting system (Straffin 1988). Unlike earlier theorists, Steunenbergh, Schmidtchen, and Koboldt (1999) specified their model for calculating the distribution of power on the evaluation of the distribution of power between decision-making bodies in the European Union, thus limiting the use of the model to other statistical files. The model of this trio is also referred to only as of the generalization of the Banzhaf index, which allows the addition of further information associated with individual players (voters) (Varela and Prado-Dominguez 2012). However, Felsenthal and Machover (2001) also emphasize that the practical possibility of applying these additional variables is very problematic and that a perfectly symmetric case that yields the Banzhaf power index seems to be a fortunate exception.

The use of the Shapley-Shubik and Penrose-Banzhaf indices to quantify the distribution of power within today's EU and its predecessors can be found in several studies. Some scholars used these indices to present the real power of states in the European policy-making process before Maastricht in the Councils of the previous European Communities (Brams and Affuso 1976; Rapoport and Cohen 1986).

Later studies focus on the distribution of power after individual EU enlargements, especially after the Eastern Enlargement, and at the same time on the distribution of power according to the Lisbon Treaty, which changed the weighted vote distribution from the original fixed number of votes to the current distribution based on the share of EU population (Varela and Prado-Dominguez 2012; Leech 2002; Pajala and Widgren 2004).

For this research, we decided to use a standardized Banzhaf power index. We calculated the values of the Banzhaf power index using our algorithm coded in the Python programming language. The algorithm for calculating the Banzhaf index of all EU member states works with two variables, which result from the vote of the Council of the EU by the system of qualified majority. To capture the change in the power of individual EU Member States to influence the adoption of European legislation in the EU Council, we, therefore, coded two algorithms that record the state of the EU and the distribution of the total EU population to the individual Member States before the withdrawal of the UK (until 31 January 2020) and after (from February 2020). The official weights of the votes of the Member States determined based on the share of the national population in the total EU population were drawn from the data of the EU

Council voting calculator, which provides apart from the current distribution of votes in the EU Council (EU27) also the former distribution of votes before Brexit (EU28).

To calculate the voting power of individual EU Member States in both periods, i.e. before and after Brexit, we used the following Banzhaf power formula, where ( $c_i$ ) equals the number of times voter ( $i$ ) is critical and the sum of ( $c_k$ ) equals the sum of times all voters are critical:

$$B_i = \frac{c_i}{\sum_{k=1}^n c_k}$$

The resulting calculation of the normalized Banzhaf index can be interpreted as a percentage of times that a voter can change the outcome of the vote which is one of the possible ways of quantifying the voting power of voters. A critical voter is defined as a voter who, by changing its vote in voting procedure *ceteris paribus*, decides on the change of the status of adoption/non-adoption of legislation, act, or decision which is the subject of voting. Banzhaf power index formula and the other indices mentioned earlier basically calculate power indices based on counting winning coalitions.

Several research studies point out the limits of calculations of the power of EU member states using the formula of the Banzhaf or Shapley-Shubik power index. Such studies are offered by Turnovec, Mercik, and Mazurkiewicz (2004); Kurz (2020); Kirsch and Langner (2010); and Johnston (1978). Despite these limitations, the above-mentioned indices represent the two best-known and most widely used indices in the scientific literature (not only) for defining the power of the individual Member States of international organizations and various other groupings. The calculations of these indices themselves have only limited formal informative value in building strategic coalitions within the EU decision-making process. In practice, the vote of the EU Council is influenced by a wide range of different factors, which can often bring surprising results. Despite the apparent simplicity of the Banzhaf index chosen, it must be noted that the number of possible coalitions in the EU Council before the UK's accession to the EU was almost 270 million. The calculation of the power index itself is therefore very limited and ideal to perform by designing an algorithm in the programming language, as performed in our research.

## EMPIRICAL FINDINGS AND DATA PRESENTATION

The formal closure of the Brexit procedure on 31 January 2020 reduced the EU's population from a total of more than 513 million to around 446 million. The withdrawal of the UK from the EU equals a population decrease of 66 million Britons, representing almost 13% of those called Europeans based on the EU membership (Eurostat 2020). As a result, of course, there has been an automatic redistribution of Member States' power in both legislative bodies of the EU. Following the UK's withdrawal, the EP reduced its number of seats by 46 British members, and the remaining 27 originally British seats were redistributed among the remaining 27 Member States (European Parliament 2020).

Brexit has also affected the proportional distribution of Member States' votes in the EU Council qualified majority voting system. Firstly, in general, the weight of the votes of all Member States has increased compared to the pre-Brexit period. Taking into account the nominal power of the Member States given in the case of 27 states by one vote with different weights, which states use in a qualified majority voting in the EU Council, the power index measured by Banzhaf power index formula increased power of 19 of the 27 Member States. On the other hand, there has been a decline in the voting power in the remaining 8 Member States smaller than Croatia (Table 2).

The gains or losses of power of individual Member States were not directly proportional. In relative terms, Spain and Poland (23.4% and 27.7% increase) could be considered the biggest winners as they recorded a larger relative increase in voting power than the so-called Big Four Member States. Based on the calculation, Ireland and Croatia can be described as the most neutral states, which did neither gain nor lose any significant voting power. In general, the calculation showed a strong correlation between the population and the change of the voting power of individual EU Member States, as the largest increase in voting power was recorded by the largest countries and, conversely, the largest weakening is evident in the smallest Member States with the population of less than 2 million.

Taking into account the small Member States based on the established criterion for distinguishing between large and small Member States within the EU, there was an increase in voting power in 12 out of 20 cases compared to the pre-Brexit period. On the contrary, in the 8 remaining smallest Member States, there was an additional weakening of power in the EU Council qualified majority voting. All of the changes in the distribution of the voting power of individual Member States since the power distribution granted by the Treaty of Nice contributed to weakening the position of small Member States in the Council of the EU voting by a qualified majority system. The position of these small Member States in the negotiations is thus in some cases based mainly on the criterion of several states rather than on the criterion of population.



In practice, the coalitions composed mostly of small and smallest EU Member States more often decide to adopt or block the adoption of legislation through the number of states criterion, which is generally easier for small states to achieve.

**Table 2: Population Share and Power Indices of EU Member States Before and After Brexit** (Source: Author's work based on population statistics available at Eurostat and the results of the algorithm coded in Python)

EU Member State	Banzhaf Power Index (Standardized)		$\Delta$	% $\Delta$	Share of Total EU Population in %	
	Pre-Brexit	Post-Brexit			Pre-Brexit	Post-Brexit
Germany	10,2648	12,0275	1,7627	17,17	16,12	18,54
France	8,4513	9,9563	1,5050	17,81	13,1	14,98
Italy	7,8152	9,1072	1,2920	16,53	11,92	13,65
Spain	6,1827	7,6298	1,4471	23,41	9,09	10,49
Poland	5,0468	6,4423	1,3955	27,65	7,4	8,49
Romania	3,7135	3,9593	0,2458	6,62	3,8	4,34
Netherlands	3,4906	3,7299	0,2393	6,86	3,37	3,89
Belgium	2,9000	3,0370	0,1370	4,72	2,22	2,56
Greece	2,8347	2,9536	0,1189	4,20	2,09	2,4
Czechia	2,8099	2,9249	0,1149	4,09	2,04	2,35
Portugal	2,7879	2,8984	0,1105	3,96	2	2,3
Sweden	2,7788	2,8957	0,1169	4,21	1,98	2,29
Hungary	2,7413	2,8377	0,0964	3,52	1,91	2,18
Austria	2,6390	2,7311	0,0921	3,49	1,71	1,98
Bulgaria	2,4674	2,5070	0,0395	1,60	1,37	1,56
Denmark	2,3427	2,3678	0,0251	1,07	1,13	1,3
Finland	2,3120	2,3320	0,0200	0,87	1,07	1,23
Slovakia	2,3079	2,3251	0,0172	0,74	1,06	1,22
Ireland	2,2456	2,2607	0,0151	0,67	0,94	1,1
Croatia	2,1737	2,1593	-0,0144	-0,66	0,8	0,91
Lithuania	2,0454	2,0054	-0,0400	-1,96	0,55	0,62
Slovenia	1,9703	1,9229	-0,0475	-2,41	0,4	0,47
Latvia	1,9580	1,9039	-0,0540	-2,76	0,38	0,43
Estonia	1,8979	1,8315	-0,0664	-3,50	0,26	0,3
Cyprus	1,8504	1,7788	-0,0716	-3,87	0,17	0,2
Luxembourg	1,8254	1,7458	-0,0796	-4,36	0,12	0,14
Malta	1,8096	1,7293	-0,0803	-4,44	0,09	0,11
UK	8,3372	0,0000	-8,3372	-100	12,9	NA

Following the withdrawal of the UK from the EU, the share of Europeans living in the small Member States has changed to around 25.6%. Therefore, unsurprisingly, there has also been a change in the voting power of small Member States.



According to the calculation of the standardized Banzhaf index, before Brexit, small Member States (the Netherlands and the states smaller by population) had around 50.2% of total voting power as far as the qualified majority voting of the EU Council is considered. Following the reduction of the EU membership base to 27, the twenty small states (Belgium and smaller) together hold approximately 47.1% of the voting power.

In case of the absence of a revision of the treaties governing the EU Council's voting mechanism soon, small Member States remain weakened in the qualified majority voting. In that case, there is the only possible way that would lead to a further strengthening of the power of the small Member States, which is the enlargement of the Union to another small state, e.g. from the Western Balkans region. In practice, the less populous this state would be, the greater the growth of the power of the small Member States and *vice versa*.

An integral part of promoting the interests of individual Member States at the European level is the coalitions building, crucial for increasing the combined strength of states. The Visegrad Group has long been considered within the EU in some respects to be a consistent group of Central European states. According to an overview of existing coalitions revealed by the regularly published EU Coalition Explorer, first published in 2016, the Visegrad coalition is the only major coalition of Eastern enlargement countries based on the coordination of positions and interests. Based on the votes held by the EU Council, EU Coalition Explorer points to several important trends arising from the votes of the EU Member States. The Visegrad Group, unlike the other states of the Eastern and later enlargements of the EU, represents the only coalition of states that have shown in practice in recent years coordination within the European collective decision-making process. Most of the other 'new' Member States, with the exception of Romania remain, so to speak, on the periphery of European integration in terms of the legislative process and the formation of European coalitions (ECFR 2018). Like the Visegrad Group, other coalitions composed in most cases from the original and older Member States, also demonstrate the coordinated manners in the adoption of legislation and common positions. An example is the established coalitions of the Benelux countries or the Nordic Council, creating together with Austria the so-called Affluent Seven or the Southern Seven coalition, which apart from the large southern EU Member States also includes Malta, Portugal, Cyprus, and Greece.

According to the EU Coalition Explorer, most of the small Member States let on the periphery of the EU decision-making process, are in practice very rarely the ones deciding to accept/reject the proposed European legislation. On the other hand, according to the Explorer's research, all Visegrad countries are to be found among the top 5 strategic partners of each other. In practice, therefore, this fact underlines the strong cohesion of the Visegrad Group on some political issues over the past years as these are the states that are most contacted with each other, share the most interests, and are most responsive to each other.

Since 1991, the Visegrad cooperation itself has gone through several irregularly alternating phases of different intensities of cooperation. The last phase of more active coordination of national positions began in the middle of the second decade of the twenty-first century. The reason for the start of joint coordination is considered to be the outbreak of the so-called migration crisis, or an unprecedented influx of migrants and asylum seekers in the Single market area (Nič 2016). However, the group of four is not united on all European policies and it is far from united on the issue of the future of European integration. A decline in democratic principles and the poor functioning of the rule of law in Hungary and Poland, which has been the subject of several negotiations between European leaders and institutions, has several times shown a sufficient impact on the potential termination of Visegrad cooperation at the EU level.

The data collected in Table 2 suggest that the UK's withdrawal has strengthened the voting power of all four Central European countries of the Visegrad Group. In contrast to Poland, which in relative terms received the largest increase in voting power (by more than 27.5%), the increases in the three small Member States were much more moderate - the Czech Republic - almost 4.1%; Hungary - 3.5%, and the Slovak Republic by less than 1%. In general, however, it can be concluded that none of the Visegrad states lost its position as a result of the UK's withdrawal from the EU; on the contrary, the group strengthened its position within the distribution of forces between the EU27.

Following Brexit, the Visegrad Group increased its share of the EU population from 12.41% to 14.24%. In terms of assessing the total power of the V4 states, calculated using the Banzhaf power index, we can assess that the Visegrad Group's voting power strengthened from the original 12.91% to 14.53%, which in relative terms represents a power increase of more than 12.5%. Although the three small Visegrad states - the Czech Republic, Hungary, and the Slovak Republic combine only for two-thirds of Poland's population, in terms of power in the Council qualified majority voting, they reach a greater combined power than Poland itself (ca. 8,1% combined power to 6,44% power of Poland). The increase in voting power of the four Central European states may thus seem small. However, within the ordinary EU legislative process, which includes the position of the Council, the current power to influence the outcome of qualified majority voting by more than 14.5% can be considered very critical. The position of the Visegrad Group in the negotiations of the Council results mainly from the weight of the votes of Poland, which have since 2015 very close partnership with Hungary. This partnership is also confirmed by the votes in the Council and the EU Coalition Explorer 2018. However, alternative partnerships within the Visegrad Group are somewhat more moderate. There is only a strong consensus in the European negotiations on some specific policy issues.

The additional neutralization of the coordinated action of the Visegrad Group was brought about by the dissenting ideas of four Central European states on the protection of democratic principles and the rule of law, the Polish and Hungarian disruption of

which became one of the biggest issues related to non-compliance with the EU's founding treaties. The disobedient Member States did not receive the support of two other Visegrad neighbors - Czechia and the Slovak Republic - on the issue of blocking the adoption of the future EU budget for the next seven years, including the EU Recovery Fund, to condition the use of these resources by a functioning democracy and the rule of law. However, in comparison with many other small EU Member States, the Visegrad Group may in case of coordinated voting behavior after Brexit become one of the most pivotal players in matters of the ordinary legislative process in the Council of the European Union.

## CONCLUSION AND DISCUSSION


The withdrawal of the United Kingdom of Great Britain and Northern Ireland, in addition to migration policy and the protection of democratic principles and the rule of law, has been one of the most serious issues concerning the European Union and the European integration over the past decade. The British referendum itself in June 2016 began the non-precedent process of a Member State's withdrawal from the EU. In recent years, we have constantly witnessed the endless bilateral negotiations of the negotiators, the aim of which was to close this historic break-up for both parties as advantageously as possible. Even though the deal on future relations was already reached by the end of 2020, it must not be forgotten that the withdrawal of one of the largest Member States has had and continues to have far-reaching consequences for both parties.

According to the former weight of UK's vote in the Council of the European Union voting, based on almost 13% of the EU's total population, the British Isles had a qualified majority voting power of ca. 8.34% according to the Banzhaf standardized index for qualified majority voting. Therefore, after Germany and France, the UK was the most influential player in the EU decision-making process. With the withdrawal, however, the UK voting power was very unproportionally distributed among the remaining 27 Member States, making large Member States even more powerful in collective voting and, conversely, small Member States suffering additional weakening of negotiating positions in the qualified majority voting.

In the case of the eight smallest countries: Croatia, Lithuania, Slovenia, Latvia, Estonia, Cyprus, Luxembourg, and Malta, despite an increase in the share of countries' population in the total EU population (*de facto* an increase in weighted votes in qualified majority voting), the relative power of these countries to influence the outcome of the ordinary legislative process in the Council of the EU decreased. Of the total UK power, almost 95% was additionally distributed in increments for the 7 largest Member States: Germany, France, Italy, Spain, Poland, Romania, and the Netherlands.

As in practice, most EU Council decisions are taken by a qualified majority, the calculation of the Banzhaf power index as a standardized index used for quantifying the power of states in qualified majority voting can be considered the most accurate indicator.

The system of distribution of votes and *de facto* decision-making power between the individual Member States, introduced by the Treaty of Lisbon that entered into force in 2014, remains in force and no active negotiations are currently taking place to revise it. While some well-established coalitions of countries that have been considered the UK's strongest coalition partner in recent years now have to look for new opportunities to advance their interests within the EU, some existing coalitions have gained additional potential as a result of the UK's withdrawal. The Visegrad Group is such an example.

Four Central European states - the Czech Republic, Hungary, Poland, and the Slovak Republic - gained additional power in the negotiations of the Council of the EU by reducing the membership base. Compared to the pre-Brexit period, the Visegrad Group increased its power index in relative terms by more than 12.5%. The UK's withdrawal triggered a chain reaction, the consequences of which affect Europeans, businesses, and the national economies of the rest of the Member States, including the Visegrad states. However, in addition to these consequences, a unified and strengthened Visegrad Group at the European level can in case of collectively coordinated cooperation undoubtedly lead to the promotion of a greater number of interests. 

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## POST-PULWAMA INDO-PAK CONFLICT: RECONNOITERING THE ROLE OF SHANGHAI COOPERATION ORGANIZATION

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**Abstract:** *Terrorism has emerged as one of the major challenges for the Eurasian regional peace, security, and cooperation. Keeping these challenges in perspective, the Shanghai Cooperation Organization (SCO) was established to eliminate the menace of terrorism, fundamentalism, and secessionism. Against this background, the main objectives of this paper are to examine how terrorism emerged as a major determining factor in the Indo-Pak relations and how the Shanghai Cooperation Organization (SCO), was failed to play its effective role in the Indo-Pak conflict given the Pulwama terror attack. For this research, descriptive and analytical methods were used and the data was collected from secondary sources. The major findings of this article are that terrorism has emerged as one of the major determinants of Indo-Pak relations and the same has become a major challenge for the SCO to resolve the issue. Against the background of terror attacks, it was anticipated that the SCO would play a crucial role to pacify the situation. However, the role played by the SCO in this situation proved marked as a Whack-a-Mole.*

**Keywords:** *Terrorism; Indo-Pak Relations; Foreign Policy Strategy; Balakot Airstrike; Post-Pulwama Indo-Pak Conflict; SCO's Role as a Whack-a-Mole*

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## INTRODUCTION

Pulwama attack and Balakot airstrike had created a war hysteria and jingoism in both India and Pakistan. However, given the historical and colonial legacy, political, geographical, and geopolitical moorings, the Indo-Pak relations have already been passing through the see-saw mode since independence. After three conventional wars, it has been realized by Pakistan's leadership that it would be difficult to go for conventional war with India. During the 1980s, using terrorism on part of Pakistan particularly in the context of Kashmir has emerged as one of the bilateral irritants, even being used as a foreign policy strategy to 'Bleed India by Thousand Cuts'. In this backdrop, terrorism is a critical bilateral irritant that has enervated bilateral relations. The aiding and abetting of the several terror groups in Kashmir by Pakistan; and on the contrary, India's assertion on terror and talks would not move together, have been complicating the regional peace, stability, and security.

India and Pakistan had become permanent members of the Shanghai Cooperation Organization (SCO). The main mandate of the SCO is to jointly combat the menace of terrorism, fundamentalism, and secessionism. The Shanghai Cooperation Organization (SCO) is a regional organization, which was established on the principle of 'Shanghai Spirit' i.e. strengthening mutual trust, mutual benefit, and equality particularly related to security threats. As per the SCO's Charter (2002), its main objectives are to strengthen mutual trust, good neighborliness, develop effective cooperation in political affairs, economy, trade, science and technology, transport and environmental protection, and including regional peace, stability, and security. With these lofty objectives has the SCO been successful to play a positive role in the post-Pulwama Indo-Pak conflict is the moot question is to be dealt in this paper?

## TERRORISM IN INDO-PAK RELATIONS: SHADOW OVER BILATERAL RELATIONS

Indo-Pak relations have remained in a see-saw pattern since their independence. After independence, both countries had established diplomatic relations but very shortly, the violent partition and numerous competing territorial claims (Kashmir, Sir Creek) have made the bilateral relationship more or less out of balance. The same was further reached to the lowest ebb given the conventional major wars and one undeclared Kargil War. Since the 1980s, Kashmir has remained highly infested with terrorism/insurgency that has taken a pivotal position in Indo-Pak relations (Thoker and Singh 2017). In this background, Pakistan's Kashmir policy has made a paradigmatic shift from conventional war to proxy war by pursuing 'Bleeding India by Thousand Cuts', wherein aiding and abetting terrorism/insurgency in Kashmir resulted in several border standoffs.

There are certain reasons to believe that the terror groups aided and abetted by Pakistan have become a destructive phenomenon per se which could be corroborated by several attacks and deaths of Pakistani civilians and combat personnel. These terror groups have not only caused a lot of concerns in India over the Kashmir issue, rather entrapping Afghanistan, Iran, and including the home turf in serious complex security situations. However, despite the fact of an internal problem, Pakistan has failed to reign in the terror groups, rather has always been coming forward openly to support the Kashmiri insurgency.

The Kargil War (1999) was a setback for local, regional, and international peace and security. Along with the border standoffs and skirmishes, certain Confidence Building Measures (CBMs) have been put in place by both the countries like the Agra Summit and the Lahore Summit. These CBMs were further concertized by the Ceasefire Agreement (2003) and the Delhi-Lahore Bus Service - was partly somewhat successful measures to de-escalate the bilateral tensions. Despite the fact of some CBMs, terrorism has been keeping on haunting bilateral relations. In the backdrop of the Indian Parliament Attack (2001), the military of both countries had stood eyeball to eyeball. Mumbai was another such attack (Ahmad and Singh 2017). Kashmir has remained one of the major targets for terror attacks (Srinagar, Budgam, Jammu, Uri), whereby the bilateral relations reached abysmally low.

### **TERROR AS A FOREIGN POLICY OF PAKISTAN VIS-À-VIS INDIA**

What is the place of terror in Pakistan's India policy is a serious question in the geopolitical calculations? Some scholars like (Jaffrelot 2015, 520) have argued that engaging India through proxy wars, aiding, and abetting insurgency in Kashmir has become an important tool for Pakistan's foreign policy. Scholars believed that the Inter-Services Intelligence (ISI) perceived that it is the only way to keep the Indian troops to get engaged in local issues causing international condemnation of India and diverting attention from the western border. The open admission of terror groups' support by Pakistan leaders like Asif Ali Zardari and Pervez Musharraf to the international media corroborated the same arguments.

According to scholars (Gates and Roy 2016; Sitaraman and Srinivasan 2012; Ganguly 2016, 27), Pakistan has reoriented its Indian policy by adopting a military doctrine of 'Bleed India with a Thousand Cuts'. Pandey (2011), who cited Col. Javed Hassan (1990), argued that the idea of this doctrine was put forward by the Pakistani military.

To further clarify the same argument Chalk and Fair (2002) quoted the former director of the ISI elucidating the strategy who said, "We have gained a lot because of our offensive in Kashmir. This is a psychological and political offensive that is designed to make India bleed through a thousand cuts". As per the study of Sirrs (2016), the focus of this policy was to wage a covert war against India wherein insurgents used to use

bleed India for multiple locations. Kapur (2017) has argued that terror groups have become the most important and preferred strategic tools like Lashkar e-Taiba (LeT) and Jaish-e-Mohammed (JeM) of the Pakistani establishment bleeding a thousand cuts in Kashmir. The main agenda of these terror groups is to incite the local people to fight against the Indian government by providing extensive financial, logistical, and military support in return to get their support to join Kashmir back. While giving an interview to the Indo-Asian News Service (17 May 2016) Haqqani (Pakistan's former ambassador to America) said, "Pakistan sees Jihad as a low-cost option to bleed India. The security apparatus views terrorism as irregular warfare. Islamabad feels this is the only way to ensure some form of military parity".<sup>1</sup> Against this backdrop, the moot question is, has this policy remained successful? As per the opinion of Pervez (2016), "Pakistan's 'thousand cuts' policy is in shambles".

### POST-PULWAMA AND BALAKOT AIRSTRIKE: INDO-PAK CONFLICT

Terrorism has remained one of the critical non-traditional security concerns and the same has been figuring prominently in the Indo-Pak relations. Several groups have been operating in Kashmir like al-Qaeda, Lashkar-e-Omar, Lashkar-e-Taiba (LeT), Jaish-e-Mohammed (JeM), Sipah-e-Sahaba, Jaish ul-Adl, Al Badr Mujahideen, Hizbul Mujahideen, etc. The militancy has increased exponentially in Kashmir since 2015. The high-profile 'Fedayeen' attacks have been regularly taking place against the Indian security forces. The list is very exhaustive which included Pathankot Attack (Pathankot Air Force Station-2 January 2016); Uri Attack (18 Sep 2016); including Pulwama Attack (14 February 2019), killing 7, 20, and 40 personnel respectively. Although the memories of recent terror attacks like Pathankot and Uri have not yet been faded, the Pulwama attack once again added fuel to the fire on 14 February 2019, in which convoys of 40 Central Reserve Police Forces personnel (CRPF) were killed. The Pakistan-based militant group Jaish-e-Mohammed (Siyech 2019) had claimed the responsibility. However, on the other hand, Pakistan had not accepted the Indian accusation. Rather, Pakistan has accused India and raised the question over the time of the Pulwama attack and why the airstrike occurred ahead of the Indian General Election time (2019). Pakistan's PM Imran Khan pointed out that the Indian government wanted to raise the nationalistic sentiments among the people to exploit the same for the upcoming election by attacking Pakistan.

As per the studies of scholars Noor and Sanam (2007), Ramsey (2017), Singh (2016), the Government of Pakistan had committed *per se* (January 2004) not to allow its territory to be used for terrorism against India. Out of this public commitment of the

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<sup>1</sup> *Pakistan sees Jihad as low-cost option to bleed India*. An interview by Husain Haqqani to Indo-Asian News Service (17 May 2016). Available at: [https://www.business-standard.com/article/news-ians/pakistan-sees-jihad-as-low-cost-option-to-bleed-india-haqqani-ians-interview-116051700577\\_1.html](https://www.business-standard.com/article/news-ians/pakistan-sees-jihad-as-low-cost-option-to-bleed-india-haqqani-ians-interview-116051700577_1.html)



Pakistan Government, India has been expecting that the former would honor its commitment and assurance. Pakistan has been required to dismantle the terror training camps including the JeM and hold them accountable for their heinous and nefarious actions. PM Imran Khan in his very first comment said that India should, "stop blaming Pakistan without any proof or evidence" and urged Indian authorities to share any "actionable intelligence". If "you think that you will launch any kind of attack on Pakistan, Pakistan will not just think about retaliation, Pakistan will retaliate" (BBC News 2019). Whereas on the other hand, the demonstration and public protests organized by the Indian people ultimately forced the Indian government to resort to the airstrike.

The Indian Air Force had conducted airstrikes at Balakot on 26 February 2019 (3:30 AM IST). As per the press release of the Indian Ministry of External Affairs, the strikes were subsequently claimed to be 'non-military' and 'preemptive' in nature; targeting a Jaish-e-Mohammed facility within Pakistan. In the context of the Balakot Airstrike, it was for the first time that the Pakistan Army acknowledged and confirmed that the Indian Air Force (IAF) fighters had penetrated the Line of Control (LoC). Maj Gen Asif Ghafoor (DG ISPR), tweeted saying, "Indian Air Force violated Line of Control. The Pakistan Air Force immediately scrambled. Indian aircraft went back" (Babar 2019). However, he claimed that there is "no infrastructure got hit" and that there were "no casualties" (DG ISPR's Tweet 2019). Of course, the targets of the airstrike were the terror training camps of Jaish-e-Mohammad (Chakothi and Muzaffarabad, both in PoK, and Khyber Pakhtunkhwa respectively) which had carried out the Pulwama terror attack (Hussain 2019). India has also confirmed the same on the same day, calling it a preemptive and non-military strike directed against only the terrorist training camps. Following the retaliation mode, on the next day (27 February), Pakistan had also retaliated and claimed that an Indian airplane was shot down and its pilot was taken as a prisoner. The next day, the Indian Ministry of External Affairs has also confirmed that an Indian pilot was missing in action. To corroborate their claim, Pakistani authorities had shown videos and images released of the Indian pilot who was being rescued by the Pakistani soldiers from a violent mob and the interrogation of the same who tied and blindfolded with a bloody face.<sup>2</sup>

The Wire (2019) reported that the recent escalation and tension out of the Pulwama attack were characterized by disinformation from both sides. Particularly, the local media has been reporting unsubstantiated facts, rumors, and online trolls.

Against this background, realizing the reality of the situation has not only become a difficulty for the common man rather even for the enlightened people as

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<sup>2</sup> *Pakistan Frees Indian Pilot Who Was Beaten by a Mob and Then Served Tea*, New York Times (March 1, 2019). Available at: <https://www.nytimes.com/2019/03/01/world/asia/india-pakistan-plane-abhinandan-varthaman-india.html>



well.<sup>3</sup> The same view has been highlighted in its editorial (April 7) by the Dawn (Pakistan) as 'Amidst the Fog of War' begins Dawn's editorial as, "the truth is often lost as propaganda is trotted out by the belligerents to confuse and demoralize their opponent". The editorial talks of the 'particularly vitriolic' role the media has been playing in whipping up jingoism and 'war hysteria' in both India and Pakistan. In this situation, what India and Pakistan have been claiming regarding airstrike, the number of casualties, size of the damage, retaliation by Pakistan, damage to the jet fighters of both sides, etc. had confused the common people of both sides? However, the tweet of the Wire (1 March 2019, 5:22 PM) had refuted the claims made by India of 'a very large number' of militants killed in the strike as per the satellite imagery.<sup>4</sup>

In the backdrop of the Pulwama attack, the Indo-Pak multi-dimensional relations like economic, political, diplomatic, etc. have been reached to the lowest level. The relations were further enervated as India terminated the most favored nations (MFN) status to Pakistan. Times of India (16 February 2019) had reported that India has raised 200% customs duty on all imported Pakistani goods. The Government of India (GOI) had requested the Financial Action Task Force (FATF) to put Pakistan on the blacklist, however, the same has decided to keep the former on the 'grey list' by providing ample time till October 2019 to comply with the set 27 conditions (June 2018). In case, Pakistan fails to go by the conditions, it would be blacklisted (Pandya 2019). In addition, the GOI had withdrawn the security provided to the Kashmiri separatist leaders from Jammu and Kashmir (J&K).

The proposed visit of the Indian doctors' delegation for the 13<sup>th</sup> Association of Anesthesiologists Congress, sponsored by the SAARC in Lahore on 7 March was put on hold. The All Indian Cine Workers Association (AICWA) had not only taken a call to ban the Pakistani actors and artists, who have been working in the Indian film industry, rather threatened to take strong actions against the individual/organization who would cross the redlines. The Indian Film and Television Directors' Association (IFTDA) has also followed suit and banned Pakistani artists and the president of the association threatened to vandalize the sets of any Indian film production which would engage the Pakistani artists (Khan and Khan 2020). Thus, the Pulwama attack and Balakot Airstrike put the Indo-Pak militaries on the eyeball to eyeball. In this way, India and Pakistan's military had been stood eyeball-to-eyeball and even threatened each other with using nuclear options. Multilateral relations have been reached the lowest ebb.

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<sup>3</sup> *Did Balakot Airstrikes Hit Their Target? Satellite Imagery Raises Doubts*, The Wire (01 March 2019). Available at: <https://thewire.in/security/balakot-airstrikes-india-pakistan-satellite-images>. F-16s and Disinformation. The Dawn (07 April 2019). Available at: <https://www.dawn.com/news/1474450/f-16s-disinformation>

<sup>4</sup> *China controls 1,000 sq. km of area in Ladakh*. The Hindu (31 August 2020). Available at: <https://www.thehindu.com/news/national/china-controls-1000-sq-km-of-area-in-ladakh-say-intelligence-inputs/article32490453.ece>

## **INSTITUTIONALIZATION OF THE SHANGHAI COOPERATION ORGANIZATION: RATIONALE, EVOLUTION, AND GEOPOLITICAL EXPANSION**

Regional integration is one of the major features of the XXI century. The SCO has emerged as a geopolitical and geostrategic pan-Eurasian regional organization that came into existence through the Shanghai Five. Scholars like Jackson and Lopez (2017), have argued that the origins of the SCO had taken out of the breakup of the former USSR. During the visit of Soviet President Mikhail S. Gorbachev to China (May 1989), both countries had undertaken some Confidence-Building Measures (CBMs) to iron out their differences and disputes including pulling back troops from the international borders and reducing aggressive patrolling along the borders. These CBMs had inspired the other Central Asian countries except Uzbekistan to join the same. In this background, the two treaties: The Treaty on Deepening Military Trust in Border Regions (26 April 1996) and The Treaty on Reduction of Military Forces in Border Regions (24 April 1997) were signed resulting in the birth of the Shanghai Five. The same was rechristened as the Shanghai Cooperation Organization (SCO) in the post-entry of Uzbekistan (2001), having seven permanent members.

China has been a dominant player in the institutionalization of the SCO. This argument is supported and substantiated by Song (2014), who argued "this organization is largely a Chinese initiative and (...) China plays a 'leading role' in the SCO process. China is further motivated to promote SCO than the other members" (pp. 85-101). In the Second Summit (St. Petersburg in June 2002), the establishment of the Secretariat (Headquartered in Beijing), was approved by the SCO, which was headed by a Chinese official Zhang Deguang. It was further institutionalized with the formal meeting mechanisms of Speakers of Parliament, Secretaries of Security Councils, Foreign Ministers, Ministers of Defence, Emergency Relief, Economy, Transportation, Culture, Education, Healthcare, Heads of Law Enforcement Agencies, Supreme Courts and Courts of Arbitration, Prosecutors General, etc.

The changing strategic dynamics in the Eurasian region had become the rationale for the establishment of the SCO. However, given the American's belligerent Asia Policy particularly under President Bill Clinton and President George W. Bush was held responsible for the same. Moreover, the airstrikes on Iraq, deployment of troops, economic sanctions, knocking down of the Anti-Ballistic Missile Treaty, quitting of the Kyoto Treaty, and refusal of talks with North Korea, etc (Özdemir 2019), were some strategic postures on part of the US that impelled Russia and Chinese to rethink the dream of the multipolar world.

The entry of India and Pakistan in the SCO in the year 2017 was further strengthened the regional organizations in terms of demography, geography, economy, etc. Mackinder in his book 'The Geographical Pivot of History' (1904) has argued that the Eurasian region is one of the most important regions of the world particularly in

terms of geography and the geo-strategy. Fettweis (2000) has quoted Halford Mackinder who called the region "the greatest natural fortress on earth" (p. 3). However, since their independence, both countries have remained at loggerheads. Both the countries had fought three conventional wars and even the proxy war has been going on between both the countries. Even the border issue between India and China has been going on despite the several rounds of talks by the Joint Working Groups (JWG) (Kalra and Saxena 2007). Given the Doklam issue, the militaries of India and China had stood eyeball to eyeball for 76 days. With the changing, strategic equations in the post-Cold War period, the strings of Indo-Russia relations somewhat loosened.

India has been emerging as one of the major economies of the world. The Eurasian region is very important for India as the former holds a significant place particularly in terms of geopolitical, geostrategic, geo-economic, and the same way, it holds good for Pakistan as well. In the post-Cold War era, India has been facing some problems in general and connectivity in particular, to heighten its multidimensional cooperation with the Eurasian region given the geopolitical and geostrategic significance. Moreover, countries like Afghanistan and Iran have also been making efforts to be permanent members of the SCO. If it happens, then the SCO would be one of the major regional organizations. However, the member countries have many geopolitical, geostrategic, and geo-economical differences (Joshi and Sharma 2017). Therefore, the success of SCO would remain dependent on how the members manage their differences not allowing their differences to turn into disputes.

Ansar (2019) has revealed that after joining the SCO, Pakistan's leadership had expressed positivism and seen it as an opportunity. Firstly, the bilateral and regional cooperation/relations would be improved by providing connectivity through the Gwadar port, facilitating trade and transportation of energy. Pakistan would play a positive and constructive role in bringing peace to Afghanistan. Pakistan could play a very positive role in achieving the SCO's goals and objectives given its location to be a bridge link between Central and South Asia and its experience of fighting terrorism, constructively contributing to the SCO's Regional Anti-Terrorist Structure (RATS).

It would remain very interesting to see how the SCO's performance has remained particular for its objectives in general and apropos Indo-Pak conflict in particular. Ambrosio (2008) has argued that securing and ensuring liberal democracy was one of the important objectives among the member countries, however, the same could not take place in these countries. William (2015), has quoted Hamid Golpira (Iranian-American journalist and senior editor of Tehran Times 2000- 2015): "Russia and China have been paying attention to Brzezinski's theory, since they formed the Shanghai Cooperation Organization in 2001, ostensibly to curb extremism in the region and enhance border security, but most probably with the real objective of counterbalancing the activities of the United States and NATO in Central Asia".

It would not be an exaggeration in saying that the SCO has been provided the regional security architecture, the very much needed for the Eurasian region. The SCO has the potential to provide an opportunity for the members to manage their bilateral issues and differences and bring them on one page related to common concerns. It would lead to further integration of the Eurasian region with the South Asian countries. Given the withdrawal of the USA from Afghanistan, the SCO can play a pivotal role in ensuring security by reinforcing the counter-terrorism measures in the region. Throughout the Cold War period, regional traditional security threats have remained the core agenda of global politics. In the post-WWII, geopolitically regional security has become paramount over geo-economics (Ali *et al.* 2019). This argument can be substantiated by the argument of regional security alliances like NATO, SEATO, CENTO, CSCAP, ARF and SCO-RATS, Six-Party Talks (2003 to 2009), Northeast Asia Peace and Cooperation Initiative (NAPCI), Indian Ocean Naval Symposium (IONS), etc.

### RECONNOITERING THE ROLE OF SHANGHAI COOPERATION ORGANIZATION: WHACK-A-MOLE?

Concerning the Indo-Pak conflict out of Pulwama and Balakot, what role was expected from the SCO? Had the SCO played its role in the Indo-Pak conflict as per its goals and objectives? Could the SCO play a role in curbing terrorism, a root cause of the Indo-Pak conflict? Does the SCO able to maintain friendly and cordial relations between India and Pakistan? To analyze the role of SCO, one has to have a bird' eye view of the SCO's mechanisms to achieve these objectives.

The SCO has been established for the heightening of multilateral regional cooperation including the political, economic, regional, international dimensions. According to the Charter's article 1, the SCO has been assigned to achieve these goals of strengthening the mutual trust, friendship, and good neighborliness between the member countries, to develop the multifaceted cooperation in the maintenance and strengthening of peace, security, stability of the region and promotion of a new democratic, fair and rational political and economic international order, cooperating in the prevention of international conflicts and their peaceful settlement, jointly searching for solutions to the problems that would arise in the XXI century.

Under article 2 of the Charter, the SCO would follow principles like mutual respect of sovereignty; independence; territorial integrity of states and inviolability of state borders, non-aggression, non-interference in internal affairs, non-use of force or threat of its use in international relations, seeking no unilateral military superiority in adjacent areas, peaceful settlement of disputes between the Member States. Article 3 refers to the scope of SCO covering the main areas of cooperation like the maintenance of peace and enhancing security and confidence in the region, jointly countering the

terrorism, separatism, and extremism, illicit narcotics and arms trafficking, and other types of criminal activity of a transnational character and illegal migration (Mitra 2014).

Seeing its scope in terms of political, security, and economic goals and objectives, the SCO seems a very panacea kind of institution for the Eurasian region. If these goals and objectives materialized and fructified into reality by the SCO, it would not be an exaggeration in saying that this region would become one of the best regions in terms of peace, stability, and security.

South Asia is one of the most volatile regions of the world given the Indo-Pak conflicts and sharing boundaries with nuclear powers like China and Iran (Malik *et al.* 2019). In this background, the first question is very important particularly in terms of the recent Indo-Pak standoff - would the SCO be able to jointly combat the three evils like terrorism, separatism, and extremism in all their forms and manifestations? What cooperation can SCO extend in the prevention of Indo-Pak conflict given the Pulwama attack and Balakot? Did it provide a peaceful settlement to the regional security issues? Had the SCO asked India and Pakistan to respect each other's sovereignty and follow non-aggression and non-interference in internal affairs? Has the SCO created mutual trust, friendship, and good neighborliness between the Indo-Pak relations?

Terrorism has become one of the critical threats to Eurasian regional security. In this direction, the well-structured mechanisms have been put in place by the SCO like SCO counter-terrorism instruments were signed as Declaration on the Establishment of the Shanghai Cooperation Organization (adopted 15 June 2001); The Shanghai Convention on Combating Terrorism, Separatism and Extremism (adopted 15 June 2001); Agreement Between the Member States of the Shanghai Cooperation Organization on the Regional Anti-Terrorist Structure (adopted 7 June 2002); Protocol on Amendments to the Agreement Between Member States of the Shanghai Cooperation Organization on the Regional Anti-Terrorist Structure (adopted 16 August 2007); Charter of the Shanghai Cooperation Organization (adopted 7 June 2002); The Regulations on Observer Status at the Shanghai Cooperation Organization (adopted 24 April 2004); Agreement on the Database of the Regional Anti-Terrorist Structure of the Shanghai Cooperation Organization (adopted 28 June 2004); Concept of Cooperation Between SCO Member States in Combating Terrorism, Separatism, and Extremism (adopted 5 June 2005); Protocol on Establishment of the SCO-Afghanistan Contact Group between the Shanghai Cooperation Organization and the Islamic Republic of Afghanistan (adopted 4 November 2005); Treaty on Long-Term Good-Neighbourliness, Friendship and Cooperation Between the Member States of the Shanghai Cooperation Organization (adopted 16 August 2007); Regulations on the Status of Dialogue Partner of the Shanghai Cooperation Organization (adopted 8 August 2008); Agreement on the Procedure for Organizing and Conducting Joint Anti-Terrorist Exercises by Member States of the Shanghai Cooperation Organization (adopted 28 August 2008); The Convention on Counter-Terrorism of the Shanghai

Cooperation Organization (adopted 16 June 2009); Statement by the Heads of the Member States of the Shanghai Cooperation Organization on joint counteraction to international terrorism (adopted in Astana 9 June 2017) (Kulintsev 2019).

The SCO as the largest intergovernmental organization had set its foundational objectives to strengthen mutual trust, promote good neighborly relations among its member-states along with stability, security, and peace among its members. The member countries are to achieve these objectives by getting engaged in multifaceted cooperation. Haidari (2019) has opined that sustainable peace makes sustainable development possible and hence the SCO in its engagements with members has been emphasizing the importance of results-driven security cooperation among the members. The joining of India and Pakistan was widely claimed as a significant opportunity for the SCO to resolve the prevailing non-traditional security threats of three evils in South and Central Asia.

Terrorism, secessionism, and fundamentalism have been identified as the major non-traditional security challenges of the Eurasian region. Thus, fighting with the three evils has been the major objective of the SCO since its inception. The establishment of the RATS seems to be the first step in this direction. When India and Pakistan joined the SCO, the entry has been perceived in two ways -positively and negatively. Positively, it has been viewed that the SCO could facilitate resolving their bilateral disputes between India and Pakistan. On the other hand, the Global Times (12 July 2018) quoted Li Wei (an anti-terrorism expert at the China Institute of Contemporary International Relations) who said: "There is some concern that the hostility between India and Pakistan might affect the organization's unity. However, it seems that the SCO would also become an ideal platform for members with disputes to solve their problems bilaterally based on the Shanghai Spirit". Jackson (2018), has argued that in the backdrop of the 5 July 2009 attacks in Urumqi, the SCO Convention on Counter-Terrorism was signed during the Yekaterinburg Summit. In the same summit, a statement was also issued to support China on the terrorism issue.

The RATS has been organizing joint counter-terrorism training and cooperation. It has prevented a considerable number of terror attacks from being faced by the member countries. It has acted against several terror groups and played a major role in arresting hundreds of suspects. It is argued by Plater-Zyberk and Monaghan (2014, 23-24) that the RATS has been building a database of suspected terrorists and organizations given the shared information among the member states. According to the Agreement on Cooperation and Interaction of the Member States of the Shanghai Cooperation Organization on Border Issues (SCO Secretariat 2015), the Executive Committee of the RATS has been tasked with sharing the information concerning border crossings, violations, border conditions, training, laws, and experiences. Even some Chinese scholars had floated an idea of having an active joint anti-terror aspect of the RATS, by raising the possibility of joint operations forces.



To have first-hand knowledge of countering the three evils, the SCO has been sponsoring military exercises like the Peace Mission 2007; Peace Mission 2010; the Tianshan-2011; Peace Mission 2012; Combined Border Activity 2013; Peaceful Mission 2014; Xiamen 2015; etc. in which all members have participated. The joint maritime exercises between the Chinese and Russian navies have been taking place since 2016. After joining the SCO, India, and Pakistan have also become part of the Peace Mission 2018, for the first time which was held in Russia.

The SCO does not allow discussing the bilateral issues. However, in a war-like situation, the moot question is what should be the role of SCO? At the organization level, SCO has not figured anywhere during the Indo-Pak conflict in question. However, on part of permanent member countries, at the individual level, they have issued statements and urged both the countries to get engaged diplomatically to sort out the conflict (Ahmed *et al.* 2019).

China and Russia are the dominant members of the SCO; but these two countries had played a very limited role, urging both countries to engage diplomatically. Despite Pakistani Foreign Minister Shah Mahmood's effort to solicit China's support for current tension, China had maintained its low profile given the geopolitical dynamics. While addressing the press conference, Chinese Foreign Minister Wang responded to a question to Indo-Pak conflict, wherein he called both sides to, "find out the truth, control the situation, solve the problem and jointly well maintain regional peace and stability", while pledging that China "is willing to play a constructive role in this regard" (Stokes and Staats 2019). Scholars Stokes and Staats (2019), have argued that despite the above assurance there was no hint or public evidence by which it could be accepted that China had played a constructive role in de-escalating the Indo-Pak conflict. Post-Pulwama attack, Chinese President Xi sent the Vice Foreign Minister Kong Xuanyou to Islamabad to discuss and de-escalate the Indo-Pak tensions. It was being accepted that Beijing might have exerted diplomatic influence privately. Foreign Ministry spokesperson Lu Kang during his press conference on 1 March, declined to say anything when he was questioned as if China was active behind-the-scenes. However, a U-turn had happened when the Chinese Foreign Minister Wang Yi addressed the media during the National People's Congress (Beijing) on 8 March 2019, wherein he took the credit for helping to de-escalate the simmering India-Pakistan tensions.

The SCO's role in the Indo-Pak conflict has also remained very passive. During the peak of the conflict, the new General Secretary of the SCO (Vladimir Norov) took over. During his first press conference address after the assumption of charge of the organization, in the context of one question related to the Indo-Pak conflict, Vladimir Norov said:

Before joining the SCO as full members, India and Pakistan committed themselves to strictly implementing all the provisions of the legal framework that has been developed by the member states of the



organization. One of such fundamental obligations is not to bring bilateral contradictions and disagreements to the SCO, as the same is not engaged in the settlement of disputable bilateral issues, whether border, water, or other topics in the relation between the individual Member States. These issues must be resolved and are being resolved through bilateral consultations and dialogue, goodwill, and mutual reasonable compromises (Pradt 2020).

He was of the strong opinion that both countries should resolve their issues bilaterally. Except for a warning statement, nothing positive and constructive has been contributed towards the conflict. He had asserted that both country's participation in the security grouping would/could become 'impossible' unless commitment on their part for an 'unconditional' fight against the three evils.

### **ABROGATION OF ARTICLE 370: CHANGING EQUATIONS AND THE SCO ROLE**

The decades-long special status granted to Jammu and Kashmir under articles 370 and 35A was revoked on 5 August 2019 by the Parliament of India. The occasion had become a defining moment in regional geopolitical and geostrategic history. There were mixed reactions from the people of both Kashmir as well as the rest of the country *vis-à-vis* abrogation of special status. Simultaneously, India's neighboring countries particularly Pakistan and China got antagonized with such kind of move (Kanjwal 2019). Both countries have started raising the same issue at the United Nations in the anticipation to compel India to reconsider its decision. However, the all-weather friends have been failed to achieve their desired goal to internationalize the issue as well as seek the support of the international community in restoring the pre-August *status quo* in Kashmir.

After repeatedly raising the abrogation of special status issues regarding Kashmir in the UNGA has not yielded desired results. In this backdrop, Pakistan has started its hostile approach towards India and accelerated cross-border terrorism in the same part. Concomitantly, Pakistan has also started getting substantial support from some Muslim countries like Turkey, Malaysia, and partly from Iran as well to put pressure on India. However, Pakistan did not get much support and backing from the Arab World in general and long-lasting friend Saudi Arabia in particular. In this regard, Pakistan tried to raise the Kashmir issue at the annual meet of the Organization of Islamic Countries (OIC) which was declined by many of its members (Junaidi 2020). In other words, Pakistan did not get succeeded in bringing back the pre-August, 5 positions to the state of Jammu and Kashmir. Given China Pakistan Economic Corridor (CPEC) passing through the PoK a disputed territory, China has become another party to the dispute.

Moreover, China has border disputes with 14 neighboring countries in general and SCO members in particular like India, Russia, and almost all Central Asian countries. In this backdrop, SCO's role becomes crucial to ease off the tension and play a crucial role. Combating terrorism is one of the major objectives of the SCO. However, using terrorism as a strategy against one another country is prevalent among the member countries. Moreover, on the issue of terrorism, the member countries have not been on one platform, for instance, China and Pakistan are on one side over the Afghan peace process; whereas Russia is on the other. India has still been isolated on the same issue. Often, India, China, Pakistan, and sometimes Russia used to get engaged militarily over the border disputes. Given its obligation, the SCO has not been able to play its role in regional disputes. Moreover, given India's growing strategic partnership with the US, the SCO member countries have been divided into axis like Sino-Pak-Russia. Russia is not only openly supporting the Indian cause given the geopolitical sensitivities. Hence, Russia has been maintaining a neutral role as far as India-China tension is concerned.

The SCO's dominant member China, the all-weather friend of Pakistan had not only come forward to support Islamabad apropos Kashmir rather created a second war front by claiming the entire Pangong Tso Lake and Galwan Valley in the Ladakh region. Moreover, several other statements on part of China have been made for the claim of Ladakh and various other parts of Arunachal Pradesh as well. China has been opposing India's road construction project in Galwan Valley and, hence, on 15 June 2020, about 20 Indian soldiers were killed and many held captive by the People's Liberation Army. Media reports were indicating that more than 40 Chinese soldiers were also injured in the bloody Sino-India face-off in Galwan Valley. China has now occupied more than 1000 km<sup>2</sup> across the line of actual control in Ladakh as per one report published in The Hindu on 31 August 2020.

The two Asian giants as well as nuclear powers have been on the brink of a major war. India on the other hand has also deployed additional troops across LAC to thwart any future strategic challenge from China. In this regard, the current Chief of Defence Staff of India, General Bipin Rawat has also made it clear to the world community that if all other options fail, the war will be the last and only option to deal with Chinese transgression across LAC.<sup>5</sup> Apropos, India has often stated that it wants a peaceful solution to all disputes with China. On the other hand, China has been also saying that it is India that has been violating the status quo across LAC. The situation across the LAC has been very critical and, currently seems that both neighboring countries might indulge in a war at any point in time, as both countries directed their respective armed forces to be ready to meet any eventuality. In this background, defense ministers of

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<sup>5</sup> General Bipin Rawat's threat of military option against China misplaced, National Herald (28 August 2020).

Available at: <https://www.nationalheraldindia.com/india/general-bipin-rawats-threat-of-military-option-against-china-misplaced>

China and India had met off the sidelines of the SCO meeting (August 2020) but except for blaming each other for the turbulent international border, nothing concrete solution was made public. In these eventualities at the SCO level, no role has been visible despite Indo-Pak and Indo-China on the verge of nuclear war.

## CONCLUSION

The SCO has been established to jointly combat the terrorism, separatism, and extremism being faced by its member countries in all manifestations. The SCO has also underlined the importance of cooperation in the prevention of international conflicts and their peaceful settlement by following the principles like inviolability of state borders, non-aggression, non-interference in internal affairs, and peaceful settlement of disputes between the member countries.

When India and Pakistan joined the SCO, it was anticipated that it would create a sea of opportunities for both countries in terms of political, economic, connectivity, energy; regional peace, stability, and security. The SCO would play an important role in the Indo-Pak strained relations as well. Terrorism is one of the bilateral issues that have put the Indo-Pak relations off the keel in the recent past in the backdrop of accusation and counter-accusation of terror attacks.

The Pulwama attack and Balakot airstrike have become one of the major challenges for the SCO to prove its relevance to combat terrorism. Concomitantly, the issues of abrogation of articles 370 and 35A once again put both countries on the verge of nuclear war as well as India-China due to border dispute during the last four months of 2020. These issues have major litmus tests for the SCO to show its relevance as a regional organization in the context of the Indo-Pak terror issue. However, the SCO has not come forward and played its role as congruent set objectives. Rather, the SCO seems more or less rather geopolitically divided. More often than not, China has supported its longstanding ally Pakistan *vis-à-vis* India. Also, the Russian role has not remained up to its stature. At last, it is concluded that the SCO has failed to perform as per its lofty goals to foster good neighborly relations and to maintain regional peace, stability, and security. Moreover, the SCO has not been in a position to combat the three evils like terrorism, fundamentalism, and secessionism, the reason is having a different perception of the same particularly among India, Pakistan, China, and Russia. To maintain its relevance as a regional organization, the SCO has to go by its principles and perform congruently as per its objectives. 🌐

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# RURAL DEPOPULATION IN SPAIN: NEXT GENERATION EU AS A STIMULUS TO ACCELERATE THE TRANSFORMATION

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**Abstract:** *The main objective of this study was to examine the situation of depopulation in Spain. Also, to highlight the importance of digital transformation and the funds provided through the Next Generation EU (NGEU) to fight against this phenomenon. Based on data from the National Institute of Statistics (INE), an empirical investigation about the current state of population abandonment in Spain has been carried out. Moreover, the Digitization Index (DiGiX) has been used to obtain a territorial vision about the digitization degree of the Autonomous Communities (CCAA). Finally, the estimates of the Spanish executive set out in the National Recovery, Transformation and Resilience Plan (RTRP) have been used to underline the importance of Next Generation EU resources to fight the problem of 'empty Spain'. That was to see that mentioned country is currently at the head of the 'demographic deserts' of the EU. Likewise, the Recovery Plan for Europe, and its digital axe, constitute one of the key factors to combat the population abandonment of the Spanish rural areas. In other words, an important approach, which addresses the wide deficiencies in the literature on the subject, is making this research highly relevant and interesting.*

**Keywords:** *Depopulation; Spain; Next Generation EU; Recovery, Transformation and Resilience Plan; Digital transformation; EU*

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## INTRODUCTION

Depopulation forms a phenomenon that converges and is reinforced both by increasing urbanization and the senescence of societies in developed countries. A process through which a region, or municipal nucleus, suffers a sustained reduction in

population density over time (Aerin *et al.* 2008). Within this context, Spain is one of the States with the greatest problems in terms of population abandonment in Europe, an event that has been accelerated in recent years (National Office for Strategic Foresight 2021). The existence of Spanish provinces in a critical situation, with municipalities at serious risk of irreversible depopulation and high rates of aging, is already a fact. In addition, the null generational change, the low birth rate, or the scarcity of job opportunities is other causes and major challenges that aggravate the condition of its rural areas. Therefore, the lack of reversal of the present situation can lead to overpopulation of specific zones, especially the coasts and other urban environments, seriously affecting the entire geographical and human landscape of the Iberian country. However, several initiatives try to combat depopulation and its negative effects, although the fragility of its effects seems to continue to be pronounced.

On the other hand, the Next Generation EU funds, together with the resources of the European Union's long-term budget for 2021-2027, aim to promote the re-launch of economic activity and employment in all the EU Member States. What is more, focused on two transversal axes (green and digital), it is to reinforce confidence in the continuity of the European project through a long process of structural reforms and transformation, increasing the degree of fiscal responsibility and commitment to macroeconomic stability, where Spain will foreseeably be one of the countries that will benefit the most (Bańkowski *et al.* 2021, 6-7). Those modifications, designed according to each Member State, will be configured following its particular economic, political, and social conditions and the agreed Recovery, Transformation, and Resilience Plan. Thus, its implementation in the Spanish context should serve, among others, to promote solutions to the problem of rural depopulation, providing a stimulus to accelerate the digital transformation of the local environment and its adjustment to the productive needs of the XXI century, where the digitization of the economy is already a key element for economic growth, both current and future.

Finally, and based on the review of the existing literature, the presence of studies carried out both on population abandonment in Spain, as well as the political basis of the Recovery Plan for Europe, its configuration and financing, is observed. However, there is a considerable lack of research linking the importance of its digital transition aspect to combat the problem of depopulation in the Member States. Consequently, this analysis aimed to address the gap in the academic literature, reflecting the possibilities generated by digitization and the implementation of the Next Generation EU for Spain about its demographic and territorial challenges.

## METHODOLOGY

Hence, the main objective of this research was to study the depopulation situation of the Iberian country, as well as the scale of the digital transformation and the funds provided through its National Recovery, Transformation and Resilience Plan (RTRP) to fight this phenomenon. Also, a series of secondary objectives were established: a) to detail the characteristics and severity of the situation of population abandonment in rural Spain, b) to analyze the situation and progress of its Autonomous Communities in the context of digitization, c) to indicate the place of the Recovery Plan for Europe funds within the Plan of Measures against the Demographic Challenge of the Government of Spain, as well as d) to underline the importance of the resources of the mentioned RTRP, placing special emphasis on its Component 15, to fight against the problem of 'empty Spain'.

Furthermore, its development allowed us to verify the main hypothesis: Spain is at the head of the 'demographic deserts' of Europe, with the Next Generation EU, and especially its digital axe, being one of the key factors to combat population abandonment in its rural areas.

To complete the paper, first, a detailed analysis of the literature and other sources of information has been carried out. Subsequently, based on data from the National Institute of Statistics (INE), an empirical investigation has been carried out evaluating the current state of depopulation in Spain, also making specific references to the context of the European Union. Moreover, the Digitization Index (DiGiX) has been used to obtain a territorial vision about the digitization degree of the Autonomous Communities (CCAA). Finally, the estimates of the Spanish executive exposed through the Recovery, Transformation, and Resilience Plan have been used, placing special emphasis on its Component 15 to underline the importance of Next Generation EU funds to fight the problem of population abandonment in Spain, as well as a series of guiding principles, has been proposed.

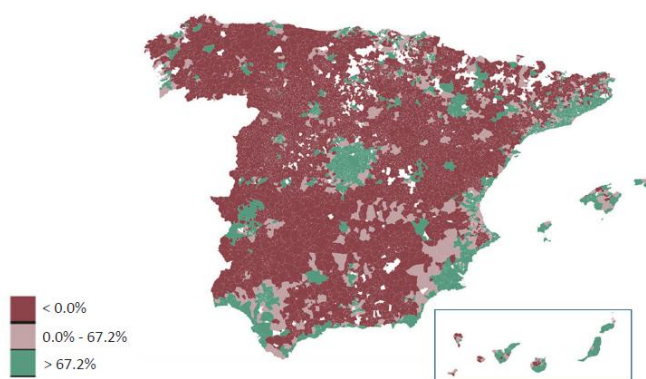
Therefore, the carried-out study has been based on the deductive research model (Woiceshyn and Daellenbach 2018). Likewise, a mixed methodological design has been applied (Denzin 1970), always from an interpretive paradigm. This has been intended to address the enormous novelty of the subject, understand better its different aspects, make up for the insufficiency of the information contained in the literature on the subject, together with ensure the quality of the obtained conclusions.

## CONTEXT

Following the above, seeking to promote the quality of the conducted research and obtain the most complete results, it has been considered appropriate to delve into the current situation and the progress of the Spanish regions in the field of depopulation and digitization first.

### *The Phenomenon of Spanish Depopulation*

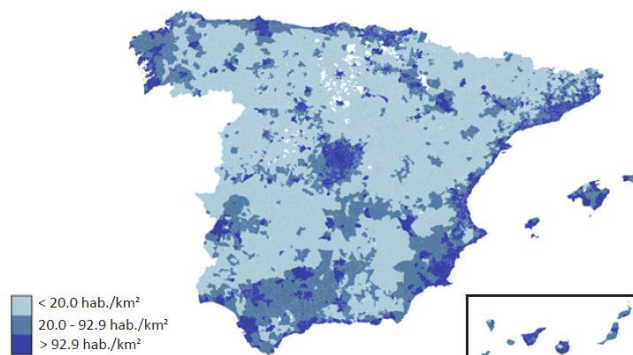
From a chronological point of view, the phenomenon of population abandonment in Spain is not new, nor does it respond to homogeneous characteristics at the territorial level that would allow us to make a rapid diagnosis of the situation. It forms a complex process where historical studies show that already in the XVIII century the national territory suffered from a lack of inhabitants concerning its territorial capacity (Nadal 1975). In contemporary times, Spanish depopulation is linked to the structural economic transformation that began in the 1950s and was consolidated in the following decades (Ródenas and Martí 2005). Even though the population growth rate (between 1950 and 2019) was 67.2%, the trend has been that rural areas lost residents with particular intensity, even if we take into account areas where high densities are still reached (see Figure 1).



**Figure 1: Population Growth Rate of Spanish Municipalities between 1950 and 2019 (%)**  
(Source: Bandrés and Azón 2021; INE)

In the XXI century, depopulation in Spain has taken on a new political dimension. The consequences of a lack of territorial harmonization have emerged in different social movements and political parties with national parliamentary representation and that demand a greater economic, political, and social structuring of the entire territory. Among their claims are the promotion of public investments in infrastructure to improve

communication with urban areas, the implementation of basic public services that allow living in safety, expanding the networks that facilitate the digitization of the most isolated zones, and the revitalization of the economy, as well as business support in rural areas. In 2019 (Figure 2) the population density in Spain was 92.9 inhabitants/km<sup>2</sup>, where we find areas with a significant population such as large cities, including Madrid, Barcelona, Bilbao or Seville, also in the Mediterranean arc and in the Spanish archipelagos (the Canary and Balearic Islands).



**Figure 2: Population Density of Spanish Municipalities 2019 (Inhabitants/km<sup>2</sup>)**  
(Source: Bandrés and Azón 2021; INE)

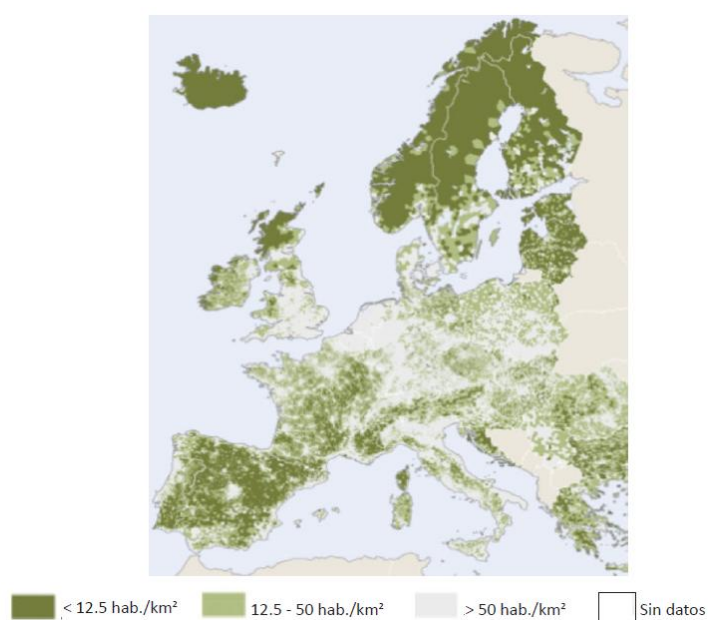
Accordingly, Spanish territorial depopulation can be defined by two elements. On the one hand, those provinces have had a negative growth rate between 1950-2019 (Collantes and Pinilla 2019) and, on the other hand, those that have a population density lower than the national average. In this classification, we would be leaving out the provincial capitals and cities with more than 50,000 inhabitants. Following these criteria, the provinces in which there are territories that can be considered as depopulated areas are twenty-three: nine provinces of Castilla y León (Ávila, Burgos, León, Palencia, Salamanca, Segovia, Soria, Valladolid and Zamora), three of Aragón (Huesca, Teruel, and Zaragoza), four from Castilla-La Mancha (Albacete, Ciudad Real, Cuenca, and Guadalajara), two from Extremadura (Cáceres and Badajoz), two from Galicia (Lugo and Ourense), two from Andalusia (Córdoba and Jaén) and La Rioja.

In addition, we can highlight three elements that show that the phenomenon of depopulation in Spain not only responds to the total volume of the population but that there are also other determinants on the demographic structure that help to better understand the process. In the first place, the groups of young people, and working-age, are the cohorts that account for the main part of the emigration that takes place in rural and medium-sized municipalities.

Second, the aging of the inhabitants that remains in rural areas (on average, 16% of the Spanish population is over 65 years of age, although many of the provinces of

depopulated Spain are well above this figure). And, thirdly, the agricultural sector has the greatest weight in the economic structure of unpopulated zones. The reduction of the need for labor in agriculture, and in the productive activities linked to it, was not offset by the development of other sectors with the capacity to generate employment, being the growth in production between 1950 and 2019 very uneven among the Spanish provinces.

It is also worth noting that Spanish citizens not only direct their gaze to the need for greater territorial harmony in national terms but also for the whole of the European Union. If we compare the population density of Spain with other large Member States (see Figure 3), we observe that its 93 inhabitants/km<sup>2</sup> are far from France (119), Poland (124), Italy (206) or Germany (240), being important also concerning Denmark (136) or Portugal (112) results, which are considered medium countries. The differences are even greater compared to other smaller States, such as Belgium (381) or the Netherlands (507). On the other hand, Spain does surpass Greece (81) and, of course, the members that make up the Scandinavian Peninsula: Sweden (24) and Finland (18) (BBVA Foundation 2019).



**Figure 3: Sparsely Populated Areas in Europe (Source: Spatial Foresight 2015)**

Furthermore, this claim has a European legal basis. In the Treaty on the Functioning of the European Union, the economic cohesion of the territory is a necessary element to stimulate the economic growth of the EU, which, as explained in article 174, implies special protection to rural areas, zones affected by the industrial transition, and regions suffering from severe and permanent natural or demographic handicaps, such as the northernmost regions with a low population density and the



island, cross-border and mountain regions. Likewise, we can find numerous provisions and resources that, in the context of the Union's regional policy, seek to promote the development of territories with low population density. Although the phenomenon of depopulation, to a greater or lesser extent, affects all Member States, the fight against depopulation is one of the main priorities of the Vice-Presidency for Democracy and Demography of the European Commission (Čipin *et al.* 2020).

In short, the process of population abandonment is not only Spanish but also a European phenomenon and requires a common effort to consolidate strategic management measures that encourage investments in demographically disadvantaged areas in comparison to large urban centers, thus dynamizing economically, harmoniously, and cohesively, the most depopulated territories of the European Union.

### *The Autonomous Communities and the Digitization*

Given the specificity of the object of study of this research and seeking to complete an empirical exercise from a disaggregated approach, the analysis of the performance of the Autonomous Communities in the field of digitization has been carried out by interpreting the results of the Digitization Index (DiGiX) by 2020. That is, a tool based on six key dimensions (infrastructure, affordability, user adoption, business adoption, regulation, and government adoption) and 19 indicators (11 of them, common to the whole of the Spanish geography, are relevant only on a national scale, while the remaining 8 differ at the level of the CCAA) (Cámara 2020), which allows us to make a diagnosis and appropriate comparisons taking into account the peculiarity of the territorial and administrative division of Spain. In other words, a starting point for the management of EU resources and the correct promotion of the digital transformation of the studied country and its economy. Analyzing the global data of the selected index, jointly for the 17 Autonomous Communities, we observed their wide degree of heterogeneity, with the existing inequalities also maintained over time. Only three of the regions (the Community of Madrid, Catalonia, and the Valencian Community) are above the average for the entire Spanish territory. On the other hand, Cantabria, Murcia, and La Rioja stand out among the worst positioned (see Figure 4). Furthermore, if we compare their performance based on the ratio of digitization to income *per capita* (Figure 5), the Community of Madrid, again, obtains the best results, followed by Catalonia. Curiously, the Basque Country, Aragón, the Balearic Islands, or La Rioja, despite having a high income, do not present a remarkable level of digital development, which reduces their final ranking. On the other hand, focusing on the level of digitization, the Valencian Community, with a more modest per capita income, is positioned in third place of all Spanish territories.



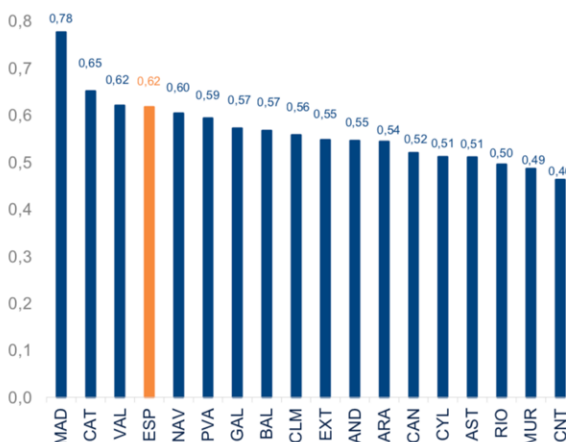


Figure 4: CCAA (Min=0, Max=1; 2020)  
(Source: BBVA Research)

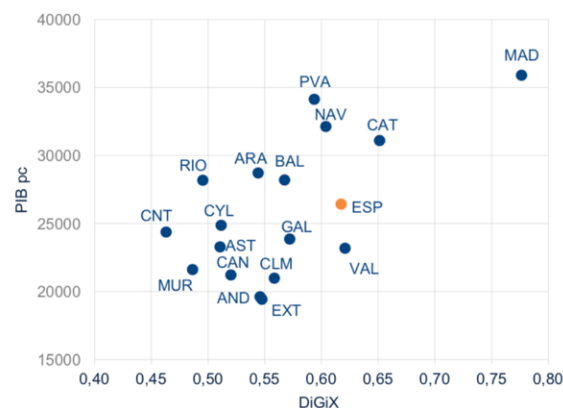
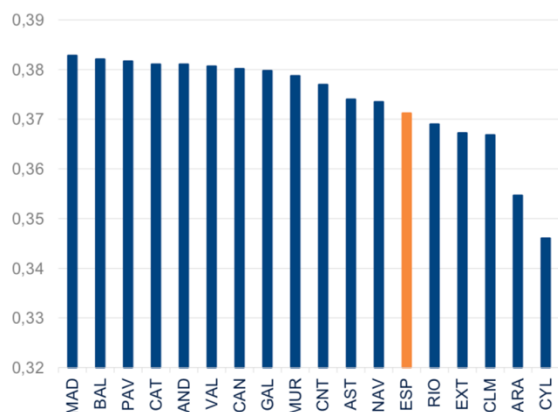


Figure 5: Autonomous Communities and the GDP (2019) (Source: BBVA Research; INE)

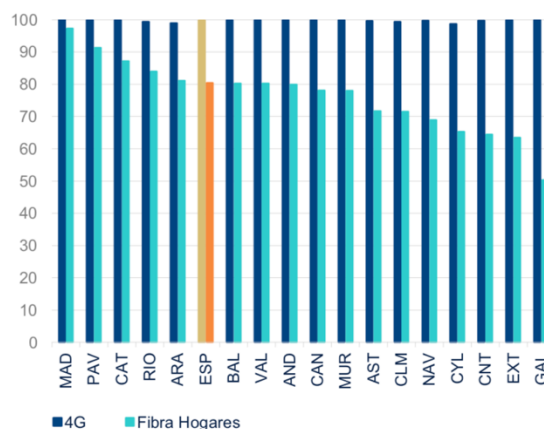
Now, to better understand the state of affairs, as well as to be able to highlight the weaknesses and points of improvement in the digital context of Spain, it is necessary to study the data in a more granular and specific way. To do this, first, the information regarding the dimensions of infrastructure and affordability has been analyzed. Thus, we observe that the coverage of digital infrastructures (of at least 4G) is present in a massive way throughout the entire geography of the country. However, even though its expansion allows the greater use of technological advances and in a more productive way, there are still significant obstacles in both areas. Accordingly, among the regions, which are best equipped with internet access there are the Community of Madrid, the Balearic Islands, the Basque Country, and Catalonia (Figure 6). On the contrary, the worst positioned are Castilla y León, Aragón and Castilla-La Mancha. Also, rural and sparsely populated areas often lack access to broadband internet, this being at the same time one of the key factors that could slow down the phenomenon of population abandonment.

As for the race towards 5G, which fosters the productive capacity of companies, the consumption of individuals, and the offer of public services, it is another challenge to face. Its use, which requires the fiber optic infrastructure, varies significantly depending on the analyzed region. Once again, the Community of Madrid is at the top of the list. 97% of its households have the coverage in question. It is followed, although with an important difference, by the Community of Castilla y León, Cantabria, Extremadura, and Galicia, with a lower population density, and whose fiber optic coverage is 50%-65% (Figure 7).

Summarizing, encouraging the spread of 5G technology in the most affected regions would undoubtedly help to promote the existing territorial structure in the state context, creating new opportunities and promoting technological solutions in the framework of demographically disadvantaged areas.



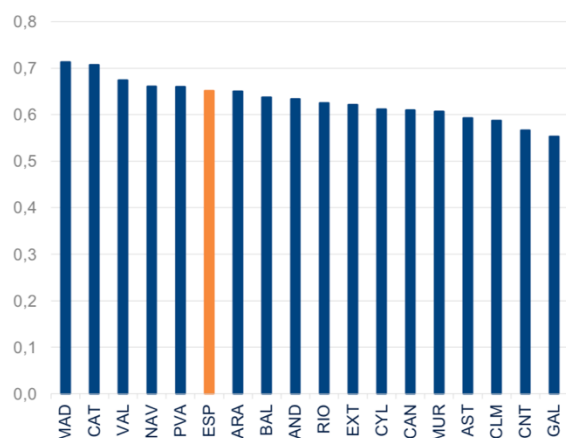
**Figure 6: Infrastructure Dimension**  
(Min=0, Max=1; 2020) (Source: BBVA Research)



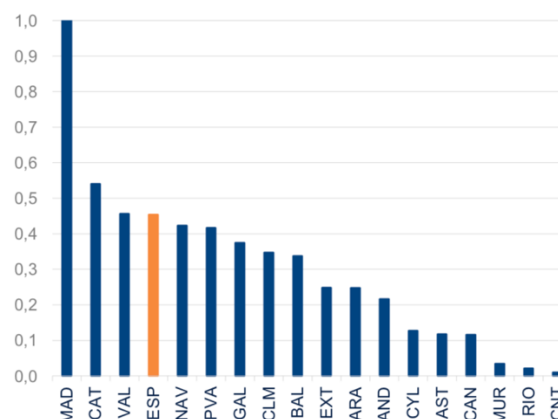
**Figure 7: 4G and Fiber Optic Coverage**  
(% Households 2020)  
(Source: BBVA Research)

Second, and about consumer adoption (the use of the internet, the type of connection, and the digital skills of society), Spain is located somewhat below the community average (EU-28) (Cámara 2021, 3-4). As well, it is estimated that about 43% of Spaniards lack basic digital skills (Czubala Ostapiuk and Benedicto Solsona 2021, 125). That is a set of skills that allows the correct use and exploitation of the services and infrastructures in question. From a regional point of view, the Community of Madrid, Catalonia, the Valencian Community, Navarra, and the Basque Country present results above the national average (see Figure 8). On the other hand, Galicia and Cantabria are two regions where the adoption rate is lower. Reviewing the frequency of internet use, we also observed that the Autonomous Communities with digitally mature populations are those that present the best connectivity indices.

Third, taking into account the adoption of business entities, we perceive the least degree of homogeneity between the Autonomous Communities, being the scope of implementation of digital services and technologies (which have a potential to improve productivity) by agents in question a context that requires substantial improvement in Spain. The Community of Madrid, again, is at the top of the Spanish ranking; while it is followed by Catalonia and the Valencian Community (Figure 9). At the same time, Murcia, La Rioja, and Cantabria stand out among the worst position. It is worth emphasizing, if we focus on the use of the cloud and big data, that the differences in their use between small and medium-sized companies (SMEs) and large entities also stand out. An essential gap to reduce to promote competitive, innovative economic activity that generates a greater multiplier effect.

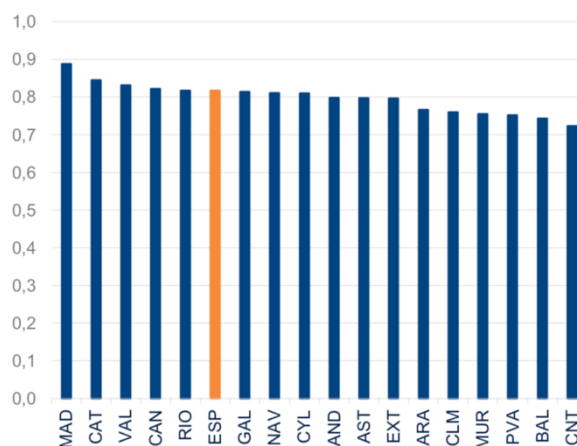


**Figure 8: User Adoption Dimension**  
(Min=0, Max=1; 2020)  
(Source: BBVA Research)



**Figure 9: Enterprises Adoption Dimension**  
(Min=0, Max=1; 2020)  
(Source: BBVA Research)

Finally, the dimension of regulation and adoption by the public sector should be studied. Spain, in the community context of the 28 Member countries and concerning the digitization of public administration services, presents high results (Czubala Ostapiuk and Benedicto Solsona 2021, 124). If we examine the data at the regional level, the Community of Madrid, Catalonia, and the Valencian Community lead the national ranking. Also, La Rioja and the Canary Islands (unlike the other dimensions) obtain a performance above the Spanish average, having a high percentage of users of public digital services. Among the worst positioned there are the Basque Country, the Balearic Islands, and Cantabria (Figure 10).



**Figure 10: Use of the Internet to Interact with the Public Administration (% Enterprises and the Internet Users, 2020)** (Source: BBVA Research; INE)

If we analyze the interaction of citizens and economic entities with the Spanish public administration, by means of digital media, in proportion, it is companies that bet the most on this channel of contact. This confirms that, regardless of the possible improvement on the supply side, there is a significant margin for betterment by individuals. Although this does not constitute the direct object of this research, it is worth noting that within its possible causes there is the lack of knowledge and necessary skills on the part of the population (an aspect highlighted above) or the deficiencies of the offered public digital services. Both, being able to be mitigated in the coming years through the different actions of the State administration and allowing, without a doubt, to combat the depopulation rates in Spain.

### *Next Generation EU and the Plan of Measures against the Demographic Challenge*

Once the situation of the Iberian country regarding the phenomenon of depopulation, as well as the level of digitization of its Autonomous Communities, has been reviewed, it is convenient to ask ourselves what is the place of the funds of the Recovery Plan for Europe within the Plan of Measures against the Demographic Challenge of the Government of Spain?

As we have seen, the demographic and cohesion goal requires coordinated action, based on polycentric territorial development. For this, the Plan of Measures against the Demographic Challenge (Government of Spain 2020) forms the Spanish articulation of a strategic response (established basing on the National Strategy against the Demographic Challenge), in the short and medium term, aligning with: the 2030 Agenda and the Sustainable Development Goals (seeking to revitalize the rural environment and face the demographic challenge); the Spanish Urban Agenda (connecting urban and rural environments); the National Plan for Adaptation to Climate Change, the National Integrated Plan for Energy and Climate, the Just Transition Strategy, or the long-term Strategy for a modern, competitive and climate-neutral Spanish economy in 2050 (with an emphasis on the ecological transition and decarbonisation); the Spain Digital 2025 agenda (promoting digital transformation throughout the state territory); the Guidelines established by the European Regional Development Fund (ERDF) regulation for the 2021-2027 period (focusing on the use of new criteria for evaluating the geographic cohesion, among others), as well as the Next Generation EU funds (seeking to eliminate aggravated social and territorial fractures or those caused by the Covid-19 pandemic).

In this way, the National Recovery, Transformation, and Resilience Plan (Government of Spain 2021) is one of its key pieces, providing a set of measures, including those about digital transformation, one of its four priority axes. Along with the ecological transition, social and territorial cohesion, and the elimination of the gender gap, it is an essential element to deal with the organization and convergence in the

territory, understood as a social construction. Therefore, the abandonment of the population is approached in its framework in a transversal way, basically through the set of leverage policies and their singular components. In addition, it corresponds to the different levels of public administration to support the reactivation, adaptation, and economic diversification of depopulated rural areas based on the approval and implementation of the driving policies and actions, as well as creating a favorable and flexible environment for the different economic agents (to facilitate their performance, the promotion of innovation and full digital connectivity, among others). Whether based on a procedure of stimulus, direct support or favoring entrepreneurial and innovative initiatives in demographically disadvantaged areas.

As a consequence, the improvement of territorial cohesion, the reduction of the gap between the urban and rural environment, as well as the action in the most affected (by the analyzed phenomenon) rural areas, without losing sight of the green and digital recovery, confirms the full alignment of the Plan of Measures against the Demographic Challenge of the Government of Spain with the Next Generation EU, promoting its implementation in the zones and sectors most in need, under the definition of objective criteria and ensuring the correct use of the provided funds.

## DISCUSSION

Digitization, a powerful concept linked to the progress of modern economies and brought to life through the development and implementation of operations enabled by digital tools, both in economic, social, and political processes (Brynjolfsson and McAfee 2015), can be the key to promoting the active settlement of rural areas and stimulate the local productive structures, making it a more attractive and diversified place, generating wealth and employability in its context, with special attention to women and young people. For that reason, the implementation of new technologies, the reduction of the digital divide of the entire national territory, or the promotion of the use of data seem essential elements to encourage territorial cohesion and avoid obstacles caused by rural generational change.

As mentioned before, digital transformation is also one of the transversal axes of the Recovery Plan for Europe, being the European Commission the one to set up the different crucial areas to stimulate the degree of digitization of the Member States. A priority action for the Spanish executive, to which it will allocate 19.6 billion Euros (28% of total assigned funds, significantly above the minimum requirement of 20% for the common digital objective) (European Commission 2021).

Through its National Recovery, Transformation, and Resilience Plan (reflected in the General State Budgets that incorporate new financing instruments of the European Union, as well as articulated by the execution of the Structural Funds for the 2021-2027 period), and specifically its Component 15 'Digital Connectivity, Promotion of

Cybersecurity and Deployment of 5G' (which is part of the policy lever V 'Modernization and Digitization of the Industrial Fabric and SMEs, Recovery of Tourism and Promotion of an Entrepreneurial Nation Spain'), it has the objective to ensure connectivity throughout the national territory, to lead the deployment of networks and services based on 5G technologies, as well as to position Spain as an international infrastructure and talent hub in the field of cybersecurity. Likewise, it includes key measures for the development of economic activity, increased productivity, and the drive for innovation, therefore, for territorial and social structuring.

Fully intended to support the digital transition, with a public allocation of 3,998.6 million Euros (equivalent to 5.75% of the National RTRP), the Component in question will respond to the specific country recommendations (structured around the three main areas of performance: connectivity, 5G and cybersecurity) (Government of Spain 2021). It is expected that its impact will exceed the volume of resources mobilized in a broader context and of contribution to economic and social improvement, thanks to the deployment; promotion, and multidimensional implementation of innovation and digital tools (Table 1).

**Table 1: The Main Impacts derived from total Investment (Public and Private) for Component 15 (in Millions of Euros) (Source: Own elaboration; based on the Government of Spain 2021)**

Area	Total Investment	Impact on GDP	Total Impact on Employment (Positions Covered on an Annual Average)	Jobs Covered (for Every Million Euros Invested)
Connectivity	7.740	12.100	31.574	16
5G	6.160	9.600	21.355	14
Cybersecurity	2.096	3.000	8.109	15
<b>TOTAL</b>	<b>16.000</b>	<b>25.000</b>	<b>61.037</b>	<b>15,28</b>

In this way, the justification for its action is reinforced not only by the characteristics of the social structure of the Spanish rural environment but also by the fact that the implementation of digital processes in the studied territorial context will favor its economic activity, promoting the active settlement and the creation of quality jobs in the rural economy, facing the current and pending challenges of the communities in question. Regarding employability, it is important to note that the Government of Spain foresees that the employment rate promoted through the implemented measures, within the framework of Component 15, will not be reduced to the branches of activity that have direct investment, but also, and in an induced way, they will benefit the related sectors, producing wealth and movement in the national economy as a whole, always aligning with the orientations of the National Strategy against the Demographic Challenge with the additional objective of contributing to

stopping the population abandonment of the demographically disadvantaged areas. Nor should it be forgotten that (regarding the discussed actions) the European Commission itself estimates a multiplier effect of 3 Euros of private investment for every euro spent by the public administration, which again highlights a possible scale of direct impact on the Spanish economic situation, the productive and industrial structure, and its different sectors, reverting to the whole of its economic system and the society of the Iberian country.

Therefore, the greater digitization of the Spanish territory will undoubtedly improve the competitiveness and quality of life of citizens of demographically disadvantaged areas, without losing sight of other related public policies, with technology being one of the levers to eliminate existing obstacles and creating new opportunities. In any case, it is also worth indicating some guiding principles to take into account in order to reinforce the effectiveness of the actions to be undertaken: a) provide the population with digital skills areas; b) link digital transformation with sustainable development, improving the capital of rural areas and responding to the expectations of their communities; c) ensuring the participation of local agents, seeking to adapt digitization to specific contexts and their needs; d) basing digitization on equality of access to possibilities, preventing the possible marginalization or polarization of social and economic groups in demographically disadvantaged areas; e) promoting the creation of local digital ecosystems ensuring the correct transmission of technological solutions to meet the needs of communities in question; f) develop new models of digital governance, more inclusive and adaptable, that take into account the casuistry of the rural environment, as well as h) develop public policy instruments for sustainable digitization and that facilitate the approval and fulfilment of digitization action plans in local environments.


## CONCLUSION

Historically, but also today, economic factors have been the ones that have most influenced the phenomenon of depopulation. Many of the regions most affected by population abandonment tend to be economically depressed or barely dynamic areas compared to other zones of the same country (Collantes and Pinilla 2019). The implementation of asymmetric industrial policies at the regional level, as well as the different mechanisms of territorial financing, have caused, over time, that nowadays rural areas have a smaller stock of transport and telecommunications infrastructures, as well as a lower level of provision of public services. A scenario that is observed through the development of this research, where the deficiencies in the level of digitization of the Autonomous Communities agree with the results regarding the number of demographically disadvantaged areas in their framework. That is, a phenomenon that prevents population concentration from occurring, causing a little volume of



employment to be generated, as well as less innovation and knowledge transfer (Rodríguez-Pose 2018). Not to mention negative vegetative growth, a drop in fertility, or an insufficient migratory balance. In this way, the digital transformation is a crucial step towards promoting social and territorial cohesion, helping to reverse the situation of depopulation and increasing the level of national structuring. By revitalizing demographically disadvantaged areas, it reduces the geographic gap of rights and opportunities (especially in the case of women and young people), promoting the necessary conditions for entrepreneurship and job creation, as well as the provision of services under conditions of equality. In addition, this connectivity must be linked to digital training, not only for different economic sectors but also for individuals, with a specific focus on the most vulnerable groups in the face of the digital divide.

Therefore, the gap between rural and urban areas justifies a major effort to further digitize the entire Spanish territory, facilitating access to digital services. Thus, the Next Generation EU funds to digitize the rural environment constitute one of the fundamental elements to mitigate the phenomenon of depopulation in Spain. These resources must guarantee the development of high-speed fiber-optic connections in sparsely populated municipalities, promote the digitization of economic and productive sectors that are still in rural areas, besides being coordinated with other cross-cutting initiatives based on the digital economy, such as the effective implementation of telework (in those productive sectors in which it can be implemented without any detriment to their activity), allowing the relocation of workers from large urban areas to different local environments.

Finally, and following what was pointed out by Bandrés *et al.* (2020), we will likely witness a significant time lag between the need to boost economic growth in the short term and the structural reforms whose full results will unfold in the long term (Xifré 2020), this being one of the greatest challenges of the Spanish society about the use of Next Generation EU funds, including in the context of the fight against depopulation. In any case, it should not be forgotten that the digital transformation itself, driven in its context, should not be perceived as the end, but rather as an inclusive process that contributes to the sustainable development of rural areas. 

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# CHINA'S DEVELOPMENT ASSISTANCE TO THE WESTERN BALKANS AND ITS IMPACT ON DEMOCRATIC GOVERNANCE AND DECISION-MAKING

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**Abstract:** *China's development assistance to the Western Balkans has been little researched and aid-funded projects are often mistermmed as Chinese investments. This article aimed to shed light on specific 'China Aid' disbursement and management procedures by examining the signed agreements and contracted projects in five countries - Albania, Bosnia and Herzegovina, Montenegro, N. Macedonia, and Serbia during the period 2000-2020. The objective was to determine the impact of China's development assistance on democratic governance and decision-making. Attride-Stirling's thematic networks tool was used to analyze the procedures in each project cycle phase and their compliance with the principles of good governance and aid effectiveness. The findings suggest that the assistance, shaped by Chinese rules in combination with Western Balkans domestic agency, is marked by the opacity of the procedures, lack of accountability, disregard for rules in public finance management, and public procurement. Moreover, China could use its grant and loan agreements to influence sovereign decision-making on issues that affect China's interests. To conclude, although China's development assistance to the Western Balkans could benefit the recipients' economic development, it also constrains their democratic governance and decision-making and serves China's foreign policy interests.*

**Keywords:** *China; Western Balkans; Development Assistance; Aid; Development Cooperation*

## INTRODUCTION

While there is abundant scholarship regarding PR China's economic engagement in the Western Balkans (WB) in terms of trade, investments, and infrastructure projects, there is a lack of previous research from the perspective of development assistance as a specific instrument in China's foreign policy. Few articles dealing with China-funded projects make a distinction between projects funded through development assistance and those funded through commercial loans and instruments such as concessions, public-private partnerships, and private investments. Instead, China-funded projects are usually labeled as investments, which may lead to a skewed perception of China's intentions and influence in the region.

Moreover, there are numerous projects which are announced, but not all of them are implemented, which may create an exaggerated perception of China's actual presence in the WB region. On the other hand, China terms its development assistance as development cooperation, which can obfuscate the fact that the funding flows in only one direction and, although it may not be widely acknowledged, China is a donor in the WB.<sup>1</sup>

The paper at hand aims to address these gaps by focusing on China's development assistance towards five Western Balkan (WB) countries - Albania, Bosnia and Herzegovina (B&H), Montenegro, N. Macedonia and Serbia in the period 2000-2020.<sup>2</sup> It specifically discusses the disbursement and management procedure and its influence on the countries' democratic governance and decision-making.

The causality between development and governance is put forward by the UN agencies which define democratic governance as "a process of creating and sustaining an environment for inclusive and responsive political processes and settlements" (UN 2012, 3). Good governance is "participatory, consensus-oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive, and follows the rule of law" (Banerji 2015). These principles are considered crucial for development (UN 2012, 3).

The Paris Declaration on aid effectiveness also establishes a clear link between democracy, governance, and the development of aid recipients (Paris Declaration 2005, 15). It recommends that the aid conditionality be transparent, result-oriented, and based on the beneficiary's policy (Paris Declaration 2005, 20). Most OECD Development Assistance Committee (DAC) donors focus their conditionality on improving good governance to maximize the aid's positive impact on development. China, on the other hand, emphasizes the fact that its development cooperation does not include any strings attached. According to China's foreign policy principles and understanding of development, national authorities have the sole responsibility for a country's development and the path to achieving it (Zhang 2015). Hence, the Chinese side sees itself as a mere executor of national authorities' requests and, while it sets the rules, it does not interfere with decisions in different project cycle phases.

China's history as a donor dates back to the 1950s when it sought to support like-minded communist countries (North Korea, Vietnam, Mongolia, and Albania). Its evolution has been marked by the expansion in scope to many other countries, dissociation from ideological drivers and linkage to economic and foreign policy objectives, as well as the increasing prominence of concessional loans as opposed to grants (De Haan 2018, 374).

Although it provides development assistance in various forms and increasingly high amounts, China remains the biggest donor outside OECD's DAC.

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<sup>1</sup>The paper uses interchangeably the terms development assistance, aid, and cooperation as they are used by different stakeholders to designate the same concept.

<sup>2</sup>Kosovo does not have official relations with China and is not a recipient of its development assistance, hence will not be included in the analysis.

Its assistance focuses on economic and social infrastructure (De Haan 2018) and does not fully correspond to the definition of official development aid published on OECD's website being "government aid aimed to promote economic development and wellbeing in developing countries which includes grants, 'soft' or concessional loans with a high grant component and technical assistance" (OECD 2021).

Since the 1990s, all the WB countries have been receiving China's development assistance through grants and, except Albania, also loans. Concessional loans are provided by China's Exim Bank and are considered China's development cooperation regardless to which extent the loan conditions are more favorable than those on the open market, which is a key difference in comparison to OECD's definition. In that context, under Western terms, the scope of China's development assistance corresponds more to official development finance than to development aid.

Given the fact that China does not publish disaggregated information at the country and project level, as well as the scarcity of official data published by WB authorities, this research used an open-source dataset on Chinese official finance as a starting point (AidData 2021). A total of 88 development cooperation projects (69 grants and 19 concessional loans) were identified and verified as being contracted through a review of official documents, including 12 grant and loan agreements,<sup>3</sup> press statements, media articles, requests for access to information submitted to public authorities and 20 semi-structured interviews. Moreover, the paper makes use of the author's personal experience as a government official working on the management of China's development assistance and EU funds.

The analysis of the qualitative data was conducted using Attride-Stirling's thematic networks tool at the level of projects and taking into account the phases of the project cycle as 'organizing themes': needs identification, project selection, preparation, financing, tendering, implementation, sustainability, and impact. The procedure for each phase was then analyzed in light of the above-mentioned democratic governance principles as 'global themes' (Attride-Stirling 2001).

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<sup>3</sup>The analysis of concessional loans is based on eleven agreements (10 from Serbia and 1 from Montenegro) published by AidData, while the remaining loan contracts are not publicly available: <https://www.aiddata.org/how-china-lends>



## OVERVIEW OF CHINA'S DEVELOPMENT ASSISTANCE TO THE WESTERN BALKANS

The procedure and amounts disbursed through the two instruments available to the WB, grants and concessional loans, varies greatly. Chinese grants are allocated through bilateral Technical and Economic Cooperation Agreements (TECA) signed between the governments. A total of 47 such agreements have been signed between 2000 and 2020. They are not signed on regular basis, but once every 1-3 years and amount, on average, between €1 and €2 million per country annually. Only some of the agreements include a provision on the priority area or the specific project for which the funds have been earmarked. Generally, it is the national government of the beneficiary country that decides and selects the projects according to its internal procedures.<sup>4</sup>

While it is impossible to determine the exact value of the assistance in grants per country, based on publicly available data, it can be assessed at a minimum of €123.38 million in signed TECAs and €83,16 million in implemented projects for the whole region in the period 2000-2020. In terms of type, most grant projects are donations -supplies of goods, equipment, and materials, while only a handful are complete projects that include works and installation.

The priority areas include education, health, infrastructure, and agriculture, but there are notable exceptions in terms of donations of military equipment to Serbia and Bosnia and Herzegovina (B&H).

When it comes to concessional loans, while the number of agreements and implemented projects is much lower, the overall amounts are much higher. The total value of the 19 projects contracted, ongoing, and implemented in the five WB countries amounts to almost €11 billion (Table 1). The interest rates range between 2-3%, the repayment period usually extends to 15-20 years and there is a grace period of several years. Most projects fall within the scope of large infrastructure in different areas – transport (highways, railways, and bridges), energy (thermo-power plants), environment (waste-water treatment plants, heating infrastructure) and there are only two supply contracts (ships in Montenegro and customs scanners in Serbia).

However, there are significant differences in the overall amount per country, with Albania having contracted 0 and Serbia €7,759 billion of Chinese concessional loans. Albanian authorities do not think that implementing projects with Chinese concessional loans leads to maximizing their interests because of the procedures imposed by the Chinese side.<sup>5</sup> Serbian authorities on the other hand see the Chinese side as a preferred partner because, unlike the EU, it does not impose strict conditions.<sup>6</sup>

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<sup>4</sup>Interviews with a Macedonian civil servant, Albanian, Bosnian and Serbian diplomats (March-July 2021).

<sup>5</sup>Interview with an Albanian diplomat (Tirana, 07 July 2021).

<sup>6</sup>Interview with a Serbian diplomat (Belgrade, 20 May 2021).

**Table 1: Chinese Development Assistance to the WB Countries in the Period 2000-2020 (Source: Author's depiction 2021)**

Country	N° of Signed TECAs	Value of TECAs (Mill. €)	N° of Grant Projects	Value of Grant Projects (Mill. €)	N° of Loan Projects	Value of Loan Projects (Mill. €)
Albania	11	16,38	10	10,75	0	0
B&H	6	22,2	14	16,77	2	1322
N. Macedonia	13	33,4	11	18,81	1	909
Serbia	10	35,8	22	23,42	14	7759
Montenegro	7	15,6	12	13,41	2	975
Total	47	123,38	69	83,16	19	10965

### IMPACT OF THE ASSISTANCE ON DEMOCRATIC GOVERNANCE AND DECISION-MAKING

Although China's development assistance is more limited in amounts compared to that allocated by the EU and other Western donors, it is sometimes seen as a quick and cheap alternative to fill in certain development gaps,<sup>7</sup> which makes it more attractive for politicians seeking to show results during their political mandate. This is also relevant for the WB countries' where infrastructure needs largely exceed national budgets and the amounts available from Western donors and lenders. While most Chinese aid projects in the WB are part of national strategic documents and are widely accepted by local communities to be beneficial for the recipient countries, the implementation model sometimes challenges the established norms of democratic governance which all five countries strive to implement in their aspiration to join the EU.<sup>8</sup>

#### *Transparency and Participation*

In line with China's guidelines on the management of its development assistance, information regarding the disbursement to the WB countries is not publicly available, nor easily accessible. There are not any documents enumerating signed agreements or implemented projects and some of the governments, as is the case of Serbia, consider information related to China's development assistance to be classified.<sup>9</sup>

In cases when Chinese authorities have come forward with exact numbers, there are notable differences in the overall value compared to the amounts reported by the WB national institutions. This is the example of North Macedonia, where according to

<sup>7</sup>Online interview with a representative of DG Near (23 April 2021).

<sup>8</sup>Interviews with Serbian China scholars (Belgrade, 19 May 2021) and with Montenegrin think tank researchers (Podgorica, 7 July 2020).

<sup>9</sup>Response to a request for information submitted by the author in March 2021.

the incumbent Chinese Ambassador, the development assistance amounts to €42 million (Secretariat for European Affairs 2019), while the national institutions can only account for €31,2 million in signed agreements.<sup>10</sup>

When it comes to concessional loans, the project amounts are publicly available because they have to be approved by the national parliaments which in principle operate transparently. However, when it comes to other details and information related to project implementation, some countries choose to classify documents related to the implementation (Calovic-Markovic and Milovac 2020, 48). This stems from the fact that the signed agreements are usually ambiguous. An analysis of 12 project agreements shows that all contracts signed after 2014 contain a confidentiality clause that is subject to the beneficiary's national legislation. In other words, while the Chinese side would prefer the agreements not to be widely publicized, it does not prohibit the WB governments from publishing the information that they are obliged to make public under national legislation.

Moreover, the procedures related to needs identification and project selection do not include public consultation, and projects are not always prioritized in line with the national Single Project Pipelines, but at closed-door meetings.<sup>11</sup> Different stakeholders, usually institutions and municipalities, can voice their needs by addressing the governments or the Chinese embassies, which on one hand allows for greater flexibility, but also represents a deviation from the EU-prescribed project selection criteria of maturity and strategic impact.<sup>12</sup>

### *Efficiency and Effectiveness*

Shortcomings in project selection and preparation lead to the financing of projects with low economic, financial, and environmental sustainability, such as the highways in Montenegro and North Macedonia or thermopower plants.<sup>13</sup> Moreover, the selection of concessional loans as a funding option for such projects lead to soaring national debt levels and, in some cases, a worrisome state of affairs in terms of public finance stability and sustainability. The case of Montenegro is particularly telling: China holds approximately 25% of the national debt which reached 103% of GDP in 2020 (Jankovic and Standish 2021). In the case of Serbia, the country with the highest value of Chinese concessional loans, by the end of 2021 the public debt was expected to rise to 70% of GDP, surpassing the EU's threshold of 60% and the Serbian legal threshold of

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<sup>10</sup>Interview, Macedonian civil servant (Skopje, 15 March 2021).

<sup>11</sup>Interviews (March-July 2021).

<sup>12</sup>Interview, DG Near.

<sup>13</sup>Interviews with a Montenegrin think tank researcher (Podgorica, 7 July 2021) and a Bosnian environmental activist (Tuzla, 25 July 2021).

45% (Rankovic 2020). The opacity of the tendering and contracting procedure leaves room for undue influence and corruption.

Namely, in all Chinese-funded projects, the contractors are not selected through a public and competitive procedure, but either directly chosen by the Chinese side using its procedures and criteria or selected by the authorities of the beneficiary country among companies previously shortlisted by the Chinese side. An investigation into the selection of Sinohydro as the most favorable bidder to build N. Macedonia's highways revealed that Macedonian high-level officials did not take into account a second, more favorable offer by the company CWE and negotiated commission for awarding the contract to Sinohydro (Krstinovska 2019).

The value of specific works is usually negotiated behind closed doors and sometimes reaches amounts that are considered exaggerated. That is the case in Serbia's Frushka Gora Corridor where the agreed price doubled the amount envisaged with the feasibility study (Pavkova 2021) or in the case of N. Macedonia's highway where the agreed price per unit was four times higher than the price offered by the same contractor at a public tender to build a local road (Vecer 2019).

In both cases, the procedure makes it impossible for WB domestic companies or companies from any other country to compete in the bids, raising questions about whether the WB states obtain the best value for money and benefits for the local economies (Stevanovic 2021). The choice of the contractor(s) and the circumvention of the national public procurement legislation are usually approved by special laws voted in the beneficiary's national parliament. Most contracts contain a clause to include domestic sub-contractors to conduct works amounting to 30-49% of the total value of the contract. In the absence of a transparent procedure or official explanation, the choice of subcontractors seems to be a prerogative of the Chinese contractor. In the case of the highway in Montenegro, one of the subcontractors, a company close to the ruling party in power when the contract was signed, received more than half of the €420 million paid to subcontractors until 2019, or more than all the other subcontractors together, while employing fewer workers on the project (Calovic-Markovic and Milovac 2020, 26). On the other hand, Serbian national authorities point out that the current project implementation model allows for the transfer of technology and know-how from the Chinese contractors to the WB subcontractors, ultimately benefitting local companies.<sup>14</sup>

While donations of goods and materials do not display major issues, many of the projects involving works have experienced various implementation challenges leading to additional costs and delays. For instance, the construction of a primary school using a Chinese grant in N. Macedonia cost more than twice the initially envisaged amount of €1,5 million and took 4, instead of 2 years to be finished, due to issues related to the

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<sup>14</sup>Interview with a Serbian diplomat (Belgrade, 20 May 2021).

technical standards, bad communication and cooperation practices between the Chinese contractor and the Macedonian subcontractors.<sup>15</sup> As a result, since 2017 the Macedonian Government decided to prioritize supply overworks contracts.<sup>16</sup>

In the case of the highways Bar-Boljare and Kichevo-Ohrid, poor quality of the project preparation and documentation led to additional costs of around €200 million and €180 million respectively; the deadlines were extended several times, as in the case of the Belgrade-Budapest rail, and the projects are still not finished (Fokus 2022; Beta RS 2021; Veljkovic 2021).<sup>17</sup> Moreover, given the poor quality of the environmental impact assessments, some of the projects may cause potentially irreparable environmental damage, as is the case with the thermopower plants,<sup>18</sup> as well as the highway in Montenegro which severely harmed the Tara river valley, a UNESCO-protected natural heritage site (Calovic-Markovic and Milovac 2020).

### *Accountability and Rule of Law*

Regardless of whether the assistance comes in the form of grants or loans, due to shortcomings in the infrastructure project cycle management taxpayers in specific WB countries may end up receiving lesser value for money. However, there is no evidence of procedures in place aimed to conduct an independent evaluation, draw a lesson from the past mistakes, locate the responsibility for the problems or take appropriate measures at the political or technical level. China's principle of non-interference in host country national conditions and the reliance on the host-state governance system does not take into account the existence of 'captured states' nor the weak institutional framework and rule of law.<sup>19</sup> Across the region, there is limited action on behalf of public bodies to safeguard the public interest. Competition and anti-corruption authorities have not been proactive to investigate or take measures against the lack of tendering procedures and national parliaments seldom exercise their supervisory role to hold the executive branch of government accountable (Nenadic 2021, 12). In the case of Montenegro's highway, the national environment inspectorate undertook 5 controls and fined the Chinese contractor CRBC a total of €20.000, which is an insignificant amount compared to its revenues in the country (Calovic-Markovic and Milovac 2020, 42). There are two notable exceptions, the above-mentioned judgment in N. Macedonia in the case of the so-called "Chinese highways" (Krstinovska 2019) and the ongoing investigation by Kolasin's prosecution office into the damage to the Tara river (Kajosevic 2021).

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<sup>15</sup>Interview with Macedonian civil servant.

<sup>16</sup>Interview with Macedonian civil servant.

<sup>17</sup>The initial deadline for the second highway section in N. Macedonia was 2018 and the last extension is 2023; for the Montenegrin highway the initial deadline was May 2019 and the last extension is September 2022; for Serbia's section of the Belgrade-Budapest rail, the initial deadline was 2018 and the current estimate is 2025.

<sup>18</sup>Interview with a Bosnian environmental activist.

<sup>19</sup>Interview with an Albanian think tank researcher (Tirana, 06 July 2021).

## *Democratic Decision-Making*

When examining the loan agreements, it becomes evident that the Chinese approach towards the WB is not entirely strings-free. Unlike the EU's conditionality which is related to specific projects or domestic reforms, China's conditionality is related to the beneficiaries' activities which may influence its relationship with China. Namely, according to a specific clause in the loan agreements, China has the power to unilaterally terminate a project agreement and ask for immediate repayment of the loan towards the Exim Bank if it deems that a law or policy adopted by the beneficiary country affect the agreement.

The cancellation option is even more explicitly mentioned in the grant agreement to reconstruct the bridge Djurdjevic on the Tara River in Montenegro which includes a clause that the agreement can be terminated due to political or diplomatic reasons (Government of Montenegro 2020). The possibility to cancel a grant-funded project, although not explicitly mentioned, has been already tested in the case of the E-Education project implemented in North Macedonia by Huawei. The implementation of the second phase which was supposed to extend the digital education network from the capital to the entire territory has been stalled due to Huawei's exclusion from the tender to build a 5G network.<sup>20</sup>

Moreover, according to the loan agreements, China has the final word whether it will allow the debtor to cancel or refinance the loan, as in the case of Montenegro's current struggle to secure funding under better terms for its highway from European or US banks (Nyabiage 2021). It can also trigger cancellation if the beneficiary wants to change any policy which may affect the loan-funded project, as in the case of Serbia's desire to cancel the loan for the Kolubara plant to honor its environmental commitments and pledges to phase-out coal (Spasic 2021). Such provisions, if triggered, could put beneficiaries in a financially dire situation and, depending on the size of the loan, potentially drive a country to bankruptcy.

Finally, the agreements further deter the debtor from violating any of the already asymmetric provisions through their dispute-settlement mechanism. Namely, in case of dispute Chinese laws apply and the parties will appear before China's International Economic and Trade Arbitration Commission, which puts into question the objectivity and impartiality of potential arbitration outcomes.

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<sup>20</sup>Interview with a Huawei representative (Skopje, 19 October 2021).




## CONCLUSION

This paper aimed to provide insights into China's development assistance towards the WB countries, focusing specifically on its disbursement, management, and impact on democratic governance and decision-making. WB countries have been eager to exploit the potential benefits of development cooperation to maximize their interests. They have all been receiving on average between €1-2 million in grants per year, while there are notable differences in terms of concessional loans. While Albania has contracted zero concessional loans, Serbia is the frontrunner with a total of €7,759 billion during the period 2000-2020.

China's development cooperation differs from the established practices related to development assistance among Western donors. It has the potential to fill in certain gaps in the WB development needs, especially in terms of infrastructure, and is disbursed without strict requirements in terms of project maturity and strategic impact, making it attractive for WB governments seeking quick solutions. However, the procedures related to the implementation of projects with Chinese grants or loans are largely shaped by Chinese rules and principles and sometimes undermine the principles of good governance.

While supply contracts seem to be implemented without major issues, works often encounter issues during different project cycle phases. The needs assessment, project identification, and selection procedures lack transparency and objective criteria, which sometimes leads to the selection of projects which are not economically, financially, or environmentally viable. Project preparation is not always meticulous, which often entails issues during the implementation phase, such as prolonged deadlines, environmental damage, and additional costs, reducing the "value for money" ratio. Loan-financing contributes to soaring public debt levels while tendering and contracting are not performed according to the established open and competitive public procurement procedures, paving the way for obscure deals and potential corrupt practices. Yet, there is no accountability for these omissions on either side. When it comes to impact, at present only a few works projects have been finished, making it impossible to determine the long-term effects of China's assistance on development.

Finally, the projects do not seem to be exempt from all conditionality. Some clauses in project agreements restrict the beneficiary's sovereign decision-making on issues that may harm China's interests, even in areas that are not directly related to the project itself. Thus, China's development assistance is largely used as a foreign policy tool to pursue China's interests and to ensure that the WB countries will remain cooperative or otherwise risk the cancellation of the grant or loan. 



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# RADICAL ISLAMISM: TRAJECTORIES OF HUMAN RIGHTS VIOLATIONS AND ABUSES IN AFRICA

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**Abstract:** *In Africa, radical and extremist Muslims are striving to transform society through violent change, claiming that African rulers are dictatorial and anti-Islamic; as a result, many African countries are experiencing serious human rights violations and abuses. Therefore, this paper examined radical Islamism and its trajectories of human rights violations and abuses in Africa and proffered workable solutions to the dilemma. To achieve the above aim, the paper employed historical and evaluative methods. The historical method was used to critically review the scholarly literature on radical Islamism and its human rights violations and abuses antecedents in Africa. At the evaluative level, the paper critically discussed the impact of human rights violations and abuses on the African nations and their citizens. The paper revealed that radical Islamism in Africa is driven by bad political leadership, poverty, poor education, unemployment, and religious exclusivism among others. The paper concluded that good governance, economic enhancement, and religious inclusiveness are key tools in discouraging and curbing radical Islamists in African countries.*

**Keywords:** *Radical Islamism; Trajectories; Africa; Human Rights Abuses; Violations*

## INTRODUCTION

In the early XXI century, Islam remains a major presence and political force throughout the world including Africa. The question is not whether the Islamic religion has a place and role in society, but how well it has assumed the role. While some Muslims wish to pursue a more secular path, others call for a more visible and radical role of religion in public life. For this reason, most Islamic activists and movements function and participate within society to bring about change while a few minorities are radical extremists who attempt to destabilize or overthrow governments and commit

violent acts and terrorism within their nations. For example, Boko Haram operating in some Nigerian northern states “seeks not only to realize the Usman dan Fodio manifesto, namely, to deep the Quran in the Atlantic, but also to effect a radical turn-around of what is considered by sect members as a weak or limping Islam and bring it up to a real Maliki version that would be faithful to the Prophet’s intention to Islamize the world” (Oraegbunam 2016, 29).

While the link between poverty and radicalization is disputed, there is substantial evidence that radical Islamism has exploited the weakness of political and socio-economic conditions and the high poverty rate of African nations to perpetrate and achieve Islamic revivalistic objectives (cf. Stith 2010, 62; Shea 2006, 56). The envisaged change and revivalism championed by radical Muslim extremists manifest in various forms and have serious implications for African society. Findings and experience have revealed that human rights violations and abuses constitute the major effects of the radicalization of Islam in Africa. Therefore, this research synthesized scholarly literature on radical Islamism and examined its violations and abuses of human rights in Africa. The paper argued for the ‘spirit’ of inclusivism among stakeholders and called on African governments to curb the problem through dialogue, economic enhancement, and good governance.

## CONTEXTUALIZING ISLAM

The seventh and eighth centuries marked the rapid expansion of Islam through conversion and military conquest. Muhammad, who is believed to be the founder and prophet of Islam, first began preaching his visions in Mecca (in present-day Saudi Arabia) in AD 610. Within twenty-five years he had gained full control of the Arabian Peninsula, and Islam was fast becoming the world’s third great monotheistic religion, after Judaism and Christianity. By 650 AD Arabia had become an Islamic state and also expanded its Islamic trench hood to Iraq, Syria, Lebanon, Palestine, and Egypt; and by 700s AD, China, India, and North Africa were penetrated by Islam (Itzkowitz 2009, 21). Today less than 15 percent of the world’s 1 billion Muslims are Arabs (Foltz 2009, 33). The use of military conquest accounted for the rapid growth of Islam. For instance, nations and empires became loyal to their military might, religious, political, and socio-economic powers as a result of the caravan raids which metamorphosed into full-scale battles in the early stages of Islam.

Islam is the only one, that is, the revelation and the spoken “Word of God” (*kalam Allah*) which was described and communicated by Muhammad in Mecca. Undoubtedly, the Continent of Africa was the first to experience the spread of Islam via Southwest Asia during the early seventh century (Levtzion and Pouwels 2000, 221). Islamism in Africa is dynamic and this dynamism is evident in the continuous reshaping through prevailing socio-cultural, socio-economic, and political dynamics.

Generally, Islam in Africa often adapted to African cultural milieus and belief thus, forming Africa's orthodoxies (Robinson 2004). In 2002, based on estimation, the Muslim population was believed to constitute about 40% of the total population of African people (Encyclopedia Britannica 2003, 301; Kaba 2005, 55). According to the Pew Research Centre (PRC), three of the ten nations having the highest Muslim populations in 2015 were in Africa. This includes Nigeria with an estimated Muslim population of 90.02 million (50%), Egypt (83.87 million [95.1%]), and Algeria (37.21 million [97.9%]) (PRC cited in Diamant 2019, 78). Notably, Islam is highly present in North Africa, Sahel, the Swahili Coast, and West Africa, with a minority of Muslims in South Africa.

Arguably, Islam in Africa is dimensional in scope - it is local and global (Hall 2011, 47-49). This means that it has local and global dimensions. At the local level, Islamic adherents in Africa practice their faith almost independently and without or minimal regulatory control by external authorities. For instance, dominant in the north is Islam which continues to spread, especially in the core north, middle belt, and southwestern Nigeria. Since 1990 more converts have been won by Islamic fundamentalists while Islamic extremism has become a powerful political tool in northern Nigeria (Onimhawo and Ottuh 2006, 342). Islamic extremism is rooted in 'radical Islam' which may not be compatible with human rights.

## HUMAN RIGHTS AND ISLAM

Human rights (HRs) are the anthropocentric moral characteristic that describes the way human beings should behave. They can also be understood as inalienable and fundamental human rights to which every human being is entitled (Ottuh 2008, 64). This means that HRs is inherent in every human being, irrespective of sex, age, ethnicity, social, political, or cultural status. Human rights as basic rights are inherent in human beings throughout their lifetime. They apply irrespective of where a person is from, what the person believes or how a person lives.

Conventionally, human rights are regularly protected by local and international laws. The Universal Declaration of Human Rights (UDHR) of the United Nations (UN) attests to its international recognition and relevance. The UDHR's declaration by the UN in 1948 strongly affirms the dignity and rights of every human living on planet earth (United Nations 2009). The Declaration is rooted in the principles expressed in the UN Charter (The foundational treaty signed on 26 June 1945, in San-Francisco) (United Nations 2009). The Declaration is the first part of a proposed three-part international agreement (or covenant) on HRs and if adopted, it is expected to bind the participating nations like any international treaty does.

Furthermore, the two remaining sections of the agreement amplify the initial Declaration in specific and enforceable terms. One is concerned with civil and political rights, and the other with economic, social rights, etc. Rights described in the thirty



articles of the UDHR are right to life, liberty and security of person, freedom of conscience, religion, opinion, expression, association, assembly, fair and impartial trial, from interference in privacy, home, correspondence, nationality, secure society, rest, leisure, education, and an adequate standard of living (United Nations 2006). The declaration also affirms the rights of every person to own property; to be deemed not guilty until proven; to travel from a home country at will and return at will; to work under favorable conditions, receive equal pay for equal work, and join labor unions at will; to marry and raise a family, and to participate in government and social life of the community. The declaration affected the terms of several national constitutions that were written after World War II that took place between 1939 and 1945. At the request of the UN, every Member State is expected to give progress reports concerning the human rights of their nations every three years.

While some religious sects have recognized and respected human rights including the UDHR, some Muslim critics of human rights discourse have asserted that the UDHR does not adequately reflect the religio-cultural needs of Muslims and Muslim states (An-Naim 1996, 77). Thus, a variety of approaches can be seen from strong criticism, particularly from countries like Saudi Arabia, Iran, and Sudan. Muslim critics, such as Abu Ala Maududi have argued for theoretical compatibility of Islam and human rights, though his submission has also been criticized for adopting a narrow-minded conception of equality and rights in his perception of human rights discourse (Soroush 2002, 40). The key obstacles for UDHR application in Muslim nations seem to arise from a mixture of philosophical and practical or cultural positions. Related to the notion of *hakimiyah* (divine sovereignty), some Muslims have argued that rights are conferred upon human beings by God and that *a priori* rights of human beings do not exist unless they are granted by God (Zemni 2006, 244). This vision sees the world through a narrow religious lens and ultimately could undermine the much shared, common approach necessary to create a universalized declaration of rights and an understanding of empowered demos that can assert its will which is central to the idea of democracy including the practical issues that border on controversies around freedom of religion and apostasy; and the equality status of women's rights (Wadud 1999, 119-120; Barlas 2002, 28).

Although the Universal Declaration of Human Rights (UDHR) was the first internationally recognized declaration from a Western perspective, its articulation has undergone significant changes since 1948. The call of God in the first article (at the proposal of the Brazilian delegation) is consciously omitted from the Declaration itself (Gjorshoski 2018, 83). The Declaration is essentially a reflection and embodiment of enlightenment, neo-enlightenment, liberalistic, and secularist values (Al-Rahim 2013, 35-36). The processes of colonialism, the question of Palestine, and the torture of the infamous military camps against Muslims have contributed to the resistance to understanding human rights in Islam. The Islamic Declaration of Human Rights is the

Islamic Council's second foundational declaration, which was issued at the start of the 15th century. The first was the Universal Islamic Declaration, which was issued in London in 1980 during the International Conference on the Prophet Muhammad.

The Islamic political narrative opposed the international documents of a secularist and neo-liberal nature through its autochthonous international documents. The first, the Universal Islamic Declaration of Human Rights, adopted on 19 September 1981 at the UNESCO Paris meeting, contains 23 articles (Gjorshoski 2018, 80-83). The Muslim Ummah believes in God, the devout, and merciful, the Creator, the Keeper, the Sovereign, the sole leader of mankind, and the Source of the whole law. Guided by these principled determinations, the 'Universal Islamic Declaration of Human Rights' incorporates rights binding on all Muslim governments and bodies including the right to freedom of speech, thought, conviction and conviction and speech; right to education (including the right to privacy); right to movement and settlement among other rights (Universal Islamic Declaration of Human Rights 1981; Gjorshoski 2018, 80-85). The criticism of the Islamic Declaration of Human Rights, therefore, can be considered as an attempt by Islamic militants or radicals to redraw their model of the declaration that consciously abandons those rights that are in collision with Sharia.

However, the enormous value of this Declaration consists in the understanding, way of thinking, and demands that the modern Muslim world accepts. In addition, this Declaration of Human Rights provides a great impetus for Muslim peoples to stand firm and protect the rights bestowed upon them by God.

Another document that supports human rights in Islam is the Cairo Declaration of Human Rights, which was adopted in 1990 during the Organization of the Islamic Conference's (OIC) 19<sup>th</sup> summit, which was dedicated to peace, interdependence, and development. As a result, it has 25 articles that regulate a variety of rights while also recognizing and guaranteeing Sharia. This Declaration shows that human rights and liberties are an inherent aspect of Islam, according to God's declaration, and their violation is evidence of unbelief and evil. The Declaration stipulates nearly the same rights as in the Universal Islamic Declaration of Human Rights and Freedoms (life, property, honor and dignity, social security, opinion, and expression following Sharia, and so on), with some advancements in the areas of Women's rights as equal to the rights of the husband, with the husband having an obligation to support her and being in charge of the family's well-being; right to self-determination by people suffering from colonial slavery or occupation; rights as part of Sharia, and that Islamic Sharia is the sole source of explication and interpretation of any of the Declaration's articles (Gjorshoski 2018, 83-84).

For Baderin (2005, 79-81), Islamic law can be interpreted in ways that are compatible with the UDHR, while on the other hand, An-Naim (1996) has controversially argued for a radical Qur'anic hermeneutics based on earlier Qur'anic passages that take precedence over the later ones. Arguing further, Soroush (2002, 46; cf. Baderin 2005, 80)

has emphasized collective human wisdom and the need for the common heritage and interests of humanity to be recognized and respected by all Muslims and Islamic thought.

Some critics of practices in Muslim states, including human rights activists, have viewed Islamic objections to UDHR with skepticism, seeing them instead as political objections presented as religion-based to mask authoritarian practices (Terdman 2005, 27). Much of this human rights debate is reflective of changes in Muslim notions of the world, the function of the state, and the rights of minorities (Fadl 2007, 203; El-Affendi 2001, 101; Mandaville and Hussain 2015). As notions of a dichotomous world, divided between *Dar al-Islam* (house of Islam) and *Dar al-Harb* (house of war), which have gradually given way to a more globalized vision of a world of plurality. The above passive perception about human rights, especially by Muslim extremists has informed human rights violations and abuses around the globe including African nations.

## UNDERSTANDING RADICAL ISLAMISM

The term 'radical' also connotes the word 'reformist' which means advancing a total reform of political or social order (Byman 2017, 22). There is substantial debate among scholars as regards the meaning of radical or radicalization. For this paper, the meaning of radical(ism) adopted is "a political and religious rupture with nation-states to establish the early Islamic caliphate by violence" (Gow and Olonisakin 2013, 1). Thus, implying, that one would include countries and movements that are political but peaceful hence, the word "radical" may simply mean violent. In contrast, 'radical Islam', as a conjunction of two words, was first used by Jackson (1979, 118; cf. Blair 1998, 55; Abdelkader 2016, 91) when he spoke on the emergence of Ayatollah Khomeini of Iran, and called his anti-Christian, anti-Jewish, anti-Bahai rhetoric as radical Islam.

In 1985, The Wall Street Journal first reported on radical Islam's arrival in the Philippines, Thailand, Indonesia, and Malaysia. In 1986, the Chicago Tribune reported on radical Islamism in Libya and Syria, and in 1987, the US News and World Report added Egypt and Algeria in 1988. In 1990, serious violations of HRs were reported in Egypt by the government predicated its actions on the possible presence of radical Islamists. Because most of the citizens share the government's fear of and hostility towards Islamic radicals, they condoned steps taken against them.

Contemporary references to radical Islam usually link it to international terrorist organizations such as ISIS and al-Qaeda. Therefore, the phrase 'radical Islamism' or 'Islamic radicalism' or 'radical Islam' connotes a variety of meanings or interpretations. The problem, of course, is that the phrase 'radical Islamism' is so ambiguous as to prompt confusion, meaningless, or even contradiction. For Americans, most terrorism problems are about killings, not ideas that are disliked by Muslims (Parvez 2017).

For instance, Donald Trump's administration has been using the phrase 'radical Islam' when discussing counter-terrorism (cf. Blair 1998, 55). Activities of some individuals and groups can be categorized into radical Islam such as the 'Salafist' (also sometimes called 'Wahhabism') tradition that US politicians and journalists commonly equate with radical Islam. The Salafists are believed to have direct experience with the original Islamic teachings and practices; thus making them be generally respected all over the Islamic world.

Conceptually, radical Islamism or radical Islam implies a historico-religious movement that sees Islam as an all-embracing religion with a perceived reformist political ideology to effect a change (Hassan 2014). Additionally, radical Islamism connotes a pattern of behavior that is targeted at transforming existing religious or political order through violence using the tools of *iman* (faith), justice, and equality. Intrinsically, radical Islamism is synonymous with radical reformation which involves tearing apart of an existing system through violence called 'Jihad' and installing it with another Islamic-based system rooted in Muslim laws or sharia (Ottuh 2012, 216) on the one hand, and the Qur'an and *Sunnah* (Prophet's traditions) on the other hand.

The laws of Islam are not all the same. Sharia law is divided into several schools. The four main Sunni schools that exist today were founded by the personal loyalty of legal academics or jurists to the founders of each school - Hanafi, Maliki, Shafi, and Hanbali - from whom each school acquired its name. Each school had its own unique set of circumstances. Both Hanafis and Malikis, for example, represent the legal heritage of a specific geographical location - the former in Kufra, present-day Iraq, and the latter in Medina, Arabia. Following Abu Hanifa and Al-Shafi, the two later schools arose precisely from a jurisprudence debate (i.e. human reasoning over law). As a result, each school differs according to the cultural, political, and socioeconomic settings in which it was established, as well as the philosophy of reasoning that was accepted. There are also Shia schools of law, the most well-known of which is the Ithnar Azari.

The Maliki School refers to the application of Islamic law in line with Imam Malik's interpretations. The Maliki School was founded by the people of al-Madinah al-Munawwarah, the Prophet's lighthouse, and beautiful city. Madina was the initial capital city of the Muslim administration during the Prophet's lifetime, and it kept that role under the reigns of the first three Caliphs. As a result, the Maliki School was primarily founded on the knowledge and practice of Islam following the Madina people's approach before and after Malik (Aba al-Khail 1997, 127). Although it is sometimes assumed that variations between schools are modest, there can be significant differences, particularly when it comes to women's rights. In Hanafi law, for example, neither women nor males are required to have marriage guardians - a significant distinction from Maliki law, which allows fathers to choose the husband of their daughters who has never married. Women in Maliki law have the right to divorce on demand; this is not the case in other Muslim schools of law. Pregnancy outside of

marriage is only acknowledged as evidence of *Zina* (unlawful sexual intercourse) under the Maliki School's prevalent position. While the majority of Muslim jurists support contraception and abortion for up to 40 days, a small percentage do not. Even within a single school of Islamic law, there may be disagreements concerning women's rights and capacity to function as a witness, judge, or leader, with some embracing women's capacity in all three roles and others being more limited. These and other differences are not insignificant, but they have far-reaching consequences for women's lives and choices.

It is argued that Islam's integrating function is the extinction of race awareness between Muslims and it is one of the remarkable moral achievements of Islam, and there is, as it happens, a pressing need for the propagation of this Islamic virtue in the current world (Toynbee 1948, 205). However, as history has shown, accommodating adherents of other religions without proselytizing them into Islam by trick or crook is difficult for Maliki and other strains of hard-line Islam. Those who refuse to be co-opted are subjected to severe discrimination. Even though the most commonly quoted Quran verse is 47, which states, that there is no compulsion in religion. In reality, however, Maliki Islam does not accept apostasy and instead punishes it with death (Oraegbunam 2016, 46). This eliminates the option of converting to Christianity from Islam. This is, without a doubt, a foreshadowing weapon for division and mal-development in many ways including human rights violations and abuses in many African nations.

## **RADICAL ISLAMISM AND ITS ASSUMPTIONS**

Considered today, as a by-product of a conspiracy rooted in Judeo-Christian activism, radical Islamism features in the guise of radical Islamic movements operating with the understanding that Islam and the Western nations using the tool of colonialism are engaged in a battle of "inferiority complex" which stretches back to the formative years of Islam (Tibi 1998, 133). This conspiracy, as it is believed, is the outcome of superpower neocolonialism and the power of Zionism (a movement for the support of the Jewish nation). Supposedly, these radical movements blame the West (A'la 2017, 42).

Islamic radicals also conceive the idea that Islam is devoid of ideological alternative for Muslim societies but possess a theological and political imperative (Abdalla 2011, 20). Since it is God who commands it, implementation is immediate, not gradual, and the obligation to implement is incumbent on all true Muslims. Therefore, individuals or governments of any nation that hesitate, resist, and remained apolitical are no longer to be seen as Muslims. For such individuals and governments are considered as atheists or unbelievers, enemies of God, against whom all true Muslims should wage Jihad ('Holy war') (Tibi 1991, 133). This is one aspect that begs for scrutiny as an incomprehensive religious understanding that is leading people to the inability to capture the substantive vision and holistic mission of Islam. Thus, a fragmented

understanding can give rise to views that are not only incompatible but also contrary to religious purposes. And along with that, it will also bring about rigid and exclusive religious thinking and practices in the religious domain.

Until now, Tibi's view of religious radicalism (fundamentalism or extremism) to some extent still reveals its relevance. According to him, radicalism in religion does not represent a spiritual tenet, but rather a political conception resulting from the politicization of religion for socio-political and economic purposes to establish a pseudo "divine order" (Tibi 1998, 20). Arguing to support this view, A'la (2017, 43) opines that radicalism associated with religion is no other thing but a politico-ideological camouflage.

### **PRESENCE AND DRIVERS OF RADICAL ISLAMISM**

North Africa and West Africa are known to be important sites for Islamist radicalization particularly since 2001 (Gow and Olonisakin 2013, 1-3). Before this, experts have indicated that terrorist and their radical activities in the above-mentioned places were largely localized and contained (Canadian Security Intelligence Service - CSIS 2010, 18). Today, extremists have developed into complex organizations that combine religious ideology with criminal networks, operating both locally and globally. There are various factors responsible for the increased region's susceptibility to Islamic radicalism. Decades of conflict have left the area vulnerable to cross-border instability, while socioeconomic marginalization adds fuel to Islamic radicalization processes. The region's massive mineral wealth contributes an additional dynamic. The Gulf of Guinea, for example, is of strategic interest in global energy politics, while research indicates that Islamic terrorist groups have links with uranium management in Niger (Gow and Olonisakin 2013, 5-7; Wolf 2013, 562). The key ideological positions relevant to Islamic radicalization in the region are Wahhabi Salafism and Jihadism. However, in Africa, radical Islamism is driven by several factors including economic and political marginalization, high poverty rate, lack of education, and religious intolerance amongst others.

#### ***Economic Marginalization and the High Poverty Rate***

Experience has shown that radical Islamists have exploited economic marginalization as an excuse to carry out their radicalism, in Tunisia, for example, impoverished areas in the south and central regions, as well as 'poverty belts' that surround urban areas have a particularly high level of Wahhabi ultra-conservatives (Wolf 2013, 568). Belatedly, low levels of employment have been noted as a contributory factor to radicalization in Islam among young and old citizens.



In Nigeria, for instance, the poverty index is higher in the core northern states (Ottuh, Ottuh, and Aitufe 2014, 199). Evidentially, the center of Islamic radicalism is located in the core northern states. A case at hand is the terrorist group called Boko Haram. Experts indicate that when young people have limited opportunities and restricted economic means, the appeal of radical Islamist elements can grow.

### *Lack of Education*

Low levels of educational attainment resulting from the government's inability to provide basic education for her citizenry, when combined with other drivers of extremism, amount to important features of radicalization, particularly among African young people. Drawing from empirical research in Mauritania, for example, Boukhars (2012) reveals that lack of access to basic education disproportionately affects those who are already poor and marginalized, and have exacerbated feelings of anger with a central authority. Poor education and youth unemployment for young people add fuel to the radicalization process in Islam.

### *Political Marginalization*

Political deprivation among youths is multi-dimensional and widespread across African nations, particularly, in West Africa and North Africa nations. In various countries, young people across the political spectrum have reported feeling disenfranchised from the government and neglected and even 'deceived' by political leaders. Evidence from many countries indicates that radical Islamic groups have significant vibrant youth support. The emergence of Wahhabi Salafism in Tunisia, for example, has been linked to the political and social expression of a class of largely disenfranchised youth (Marks 2013, 108). Research identifies that the mobilization of disenfranchised young people contributes significantly to the growth of radical Islamist groups (Hinds 2013, 228).

### *Social Media*

The internet is an important driver of modern radical Islamism processes, particularly among persons under age 35. Empirical studies in North Africa and elsewhere have identified the significance of Facebook YouTube and similar video-sharing websites in increasing access to Jihadi materials and information. The internet facilitates network formation and thus enhances the platform available for Islamic radicalization. Experts have indicated that the internet has diversified its activities into various types of criminality, including drug trafficking and information network for kidnapping businesses (Ottuh and Aitufe 2014, 197 -198) among others.



### *Extreme Qur'anic Interpretations and Islamic Revivalism*

Extreme Qur'anic interpretations and the pursuit of Islamic revivalism influence the emergence and progression of violent Jihad in contemporary times (Onimhawo and Ottuh 2007, 54). Islamic terrorists legitimize their violent action as an act rooted in the Qur'an and an act of defense to preserve God's will in the world of Islam (Venkatraman 2007, 221; cf. Onimhawo and Ottuh 2007, 55). Based on the Qur'anic principle of *ijtihad*, Islamic radicals emphasize the Qur'anic tenets of violence aimed at revivalism.

### **RADICAL ISLAMISM ABUSES AND VIOLATIONS OF HUMAN RIGHTS**

The issue of whether Islam is compatible with universal human rights or not is not the scope of this research but how Islamic radicalism impact significantly on human rights. The coming of radical Islamism in some African nations has led to huge amounts of human suffering and poverty whilst the right to freedom of association, religion, and free speech have been denied in many of these countries thus, stifling the rise of civil society (Ottuh 2015, 32). It is within this context that the issues of human rights violation and abuse by Islamic radicals in Africa are discussed below.

In many countries, the Islamist is harassed and persecuted, and their human rights are often violated. There is however a skepticism towards them among the advocates for human rights. Even in cases where they might support human rights, they are rarely taken seriously or allowed to participate in the more established human rights initiatives. For example, since 2000, twelve states in northern Nigeria have added criminal law to the jurisdiction of Sharia (Islamic law) courts (Ottuh 2008, 69; Ottuh 2012, 225). Sharia has been in force for several years in northern Nigeria, where the majority of the population is Muslim, but until 2000, its scope was limited to personal status and civil law. How Sharia has been applied to criminal law in Nigeria so far has raised many serious human rights concerns. This includes the imposition of dehumanizing treatments such as the death penalty, amputations, and public floggings amongst others. For instance, since 2000 several persons by the order of sharia courts, have had their hands amputated, sentenced to death and others flogged publicly (Ottuh 2012, 224).

Human rights are keys to achieving security and stability in a nation (CSIS 2010, 17). The producing effects of security forces will improve as relations with communities improve, which will in turn foster longer-term security. African citizens regularly report pervasive discrimination and have a long record of exclusion from administrative or political posts of authority. Radical Islamists continue to indoctrinate the country's youth with hateful ideas that dehumanize and encourage violence against other religious groups as well as against Sunni Muslims who deviate from orthodox religious teaching. The suffering of young Yazidi (Yazidis are Kurdish religious minorities predominantly located in northern Iraq, southeastern Turkey, and northern Syria) women at the hands

of the Islamic State of Iraq and Syria (ISIS) is unending (Berlinger 2014). ISIS captures, tortures, rapes, and sells the women into slavery. Apart from targeting Yazidis, the Islamic militants practice indiscriminate warfare, rounding up all non-believers from Iraqi Christians to Turkmen, Shiite Muslims, and fellow Sunni Muslims. Islamic terrorist organizations like ISIS rely on misguided hermeneutical teachings of Islam, violating the basic tenets of Islam to justify unimaginable crimes (Winsor 2014, 21). According to Winsor (2014), radical Islamic groups violate principles of Islamic law such as denying women their rights, forceful conversion, mutilating dead bodies, harming the 'people of the book' (Christians), and emissaries amongst others.

Freedom of religion is the right of a person to form personal religious beliefs according to the person's conscience and to give public expression to these beliefs in worship and teaching as the person deems fit, but restricted only by the requirements of public order (Ottuh 2015, 23). The US was the first and for some times the only, nation to include the doctrine of religious liberty in its basic laws (Wilhelm 2009). The Maliki School of Islamic jurisprudence is a driver of radical Islamism. It considers apostasy, that is, the act of leaving Islam, joining another religion, or becoming an atheist, as a religious crime punishable with the death penalty. Leaving Islam is considered as *Hudud* (a crime) in Maliki jurisprudence, that is, one of six crimes against God a Muslim can commit, which deserves the fixed punishment of death. Maliki School also considers apostasy as civil wrongs as a result, the property of the apostate is seized and distributed to the person's Muslim relatives and his or her marriage is *Faskh* (annulled).

Today, Maliki jurisprudence is predominant in North Africa except in Lower and Upper Egypt, and West Africa. Maliki is almost the only school of Muslim law throughout West Africa and the Maghreb. Particularly, it is the only acceptable version operating in Nigerian Islam. It is therefore within the above strict jurisprudential framework that Boko Haram Islamic fundamentalists or radicals operate in Nigeria. Boko Haram emerged as a Sunni (traditional) Islamic fundamentalist sect advocating a strict form of Sharia legal system.

In modern usage, discrimination is usually conceived as unfavorable. This paper sees discrimination as unfavorable in sense of human rights abuses and violations. One of the most pervasive forms of discrimination in the nations of Africa and other parts of the world is directed toward racial and ethnic groups. Discrimination has also taken other forms. Foreigners and disfavoured minorities within African borders have suffered discrimination arising from radical Islamism. Radical Islam makes Muslim women understand that they have few rights as human beings. International efforts to combat discrimination were minimal until the passage of the UN Charter in 1945 (Dorsen and Lieberman 2009, 29), although, a broad statement of human rights is contained in the UDHR, it has no binding power on member states. It is a truism, that in radical Islamism, the most abused and violated are women's rights.

The status of women's rights today varies dramatically in different countries of Africa and, in some instances, among groups within the same country, such as ethnic groups or economic classes. The world's struggle for women's rights began in the eighteenth century during a period of intense intellectual activity called the Age of Enlightenment (Ottuh and Akinmoladun 2015, 237). During the Enlightenment, political philosophers in Europe began to question traditional ideas that were based on the rights of citizens on their wealth and social status. Instead, leaders of the Enlightenment argued that all individuals were born with natural rights that made them free and equal (Schultheiss 2009, 47). They maintained that all inequalities that existed among citizens were the result of an inadequate education system and an imperfect social environment. Enlightenment philosophers argued that improved education and more egalitarian social structures could correct these inequalities.

Women's rights are rights that establish the same social, economic, and political status for women as for men (Ottuh and Aitufe 2014, 48). Women's rights imply that women will not be discriminated against based on their gender or religion. Until the 2<sup>nd</sup> half of the XX century, women in most societies were denied some of the lawful and political rights accorded to men (Schultheiss 2009, 49). Although women across the world have gained significant legal rights, 'radical Islam' or 'political Islam' still believes that women have no complete religious, political, and socio-economic equality with men. Thus, throughout the history of Islam, women are only allowed limited roles in Islamic society. For radical Muslims, women's natural roles are restricted to motherhood and wives. In recent decades women across the world except for Africa (with the exemption of very few cases), have made efforts in political participation. By the 1980s women could vote virtually everywhere in the globe, except for a few Muslim countries. The right to vote usually included the right to contest for elected offices.

The fight against Boko Haram insurgents in the northeast of Nigeria by the military and the consequent recovery of captured areas and rescue of numerous hostages held in the forest of Sambisa further proved the ideological tenets of radical Islamism (Oraegbunam 2016, 24). The sect sees as more effective and faster the use of arms and war rather than such measures as smuggling of the multi-religious Nigeria into the Organization of Islamic Conference (OIC), including manipulating school curriculum to Islam's advantage, violating the fundamental rights of non-Muslims, and Muslims alike for proselytizing purposes, Sharia compliance, and recently, the abduction of teen non-Muslim females amongst others. Yet, the type of religio-cultural rigidity and collectivism which Boko Haram and Maliki law yearn for is hardly humano-centric, and also far from being universal even in the Islam *ummah* (Community) (Jordan 2003, 56).

Nigeria is not the only African nation that has suffered the abuse and violation of HRs perpetrated by radical Islam. Cameroon, a border neighbor of Nigeria has suffered the same fate. Cameroon has suffered over twenty-eight major extremists' attacks by Islamic radicals between 1970 and 2011 (Ewi 2019).

In the 1990s Egypt took its turns in suffering severe HRs abuses and violations at the hands of Islamic radicals. In 2003 a series of suicide bomb attacks in Casablanca in Morocco killed 41 people and left more than 100 others injured (Hinds 2013, 229). The Islamist Justice and Development Party (PJD) kept a low profile afterward, fearing the government would use the attacks as a pretext to crack down on the party. Although the PJD claimed not to be a religious party, it was the only legal Islamic party in Morocco (Esposito 2009, 11). Brutality and bloodshed, which claimed the lives of some 150,000 Algerians, continued into the late 1990s and early 2000s (Esposito 2009, 23). Several terrorist bombings in late 2006 and early 2007 dispelled Algerians' hopes that the violence had finally ended. A new group claiming to represent al-Qaeda in North Africa also took responsibility for the bombings and hinted that it would attack the country again.

### RE-UNDERSTANDING ISLAM THROUGH THE FAMILY: AN EVALUATION

In examining the demographic shifts associated with the emergence of Islam in the West, a wide range of issues arise, the most important of which are divides between the older and younger generations of Muslims in Europe, North America, and Africa. Multiple generations of western Muslims have considerably reevaluated their parents' understandings of Islam and the role it should play in one's life. For instance, growing up in Pakistan, Syria, or another Muslim-majority country, Islam was taken for a ride as an aspect of the social fabric. But this 'Islam of the parents' does not necessarily speak to the paradoxes faced by adherents of Islam in the West and Africa today. Some writers, such as German sociologist Hanns Thomä-Venske note that when Islam is 'transplanted' in this way, the religious symbols and rituals are no longer affirmed by the social environment, and they thus lose the character of certainty which underpinned their existence (Ottuh 2020, 30). It is not only the social environment that fails to affirm them but also the next generation that fails to find much of use in this Islam and subsequently rejects it. Often, much of what the older generation regards as Islam is dismissed by younger Muslims as somehow tainted, or as a vestige of cultural practices specific to their parent's countries of origin. Younger Muslims have often sought an Islam that had something to say, for example, about how properly to live one life in a non-Muslim society and the particular challenges are posed by those circumstances. Mosque leaders tended to be of the older generation and, again, representative of "local" Islam from the villages of South Asia or Morocco to say the least.

In Britain, during the 1980s and 90s, for example, many religious organizations would even 'import' *Imams* (religious leaders) and *Ulama* (religious scholars) from Pakistan and Bangladesh for regular tours of duty, thus preventing the first generation of Muslim immigrants from ever leaving the relative safety of Islam contextualized in their homelands (Bruinessen 2011, 242).

Young Muslims often found this religious leadership to be particularly dogmatic and narrow-minded in its perception of Islam. It would, however, be erroneous to think in the line of a dichotomous generational divide whereby young Muslims hold and seek more pluralistic approaches to religion in contrast to the hardened conservatism of their parents. In some cases the search for a more universalist approach pushes young Muslims toward highly conservative currents of thought such as Salafism (radicalism), leading some to adopt positions that are considerably more rigid than that of their parents (Bruinessen 2011, 246). It is also important to note that the youth's rejection of religious practices associated with the religious culture of their immigrant parents does not always constitute a refutation of traditionalist Islam when postulating Sufism which is the inward or mystical approach to Islam. This kind of neo-traditionalist Islam has flourished in the last decade among young Muslims in the West and Africa, although the approach adopted is often different from that of their conservative parents.

Today, there is a search for renewal, reinterpretation, and reorientation of Islam, one that speaks directly to the circumstances of being Muslim in XXI century Africa. Turning to those who self-identify as Muslim, one finds a variety of trends. Overall, the more observant youth seek a Universalist form of Islam that would transcend ethno-sectarian squabbling, factionalism, and radicalism. For some, universalism is conceived as the compatibility of Islam with the common values and norms found in other moral systems and faith traditions, such as HRs and freedom, thus leading to greater pluralism and tolerance. For others, however, the search for Islamic Universalism leads to a hardened and literalist emphasis on the core tenants of 'true' Islam and global Islamic political order. While some have strongly advocated closer and stronger connections between religion and politics, the journey for other Muslims has been a search for how to limit the power and influence of authoritarian religion. Many other studies have also led to such a conclusion, suggesting that brutal radicalism is rooted in political contestation for economic purposes. In these circumstances, religion is simply justified to protect their narrow interests and justify their actions despite the contradiction of substantive values of religious teachings (Ottuh and Onimhawo 2020, 22). As a result, the moral and ethical values of religion increasingly decrease not influence attitude, behavior, and action of the people except violence and radical acts. In this context, HRs has become an important and controversial debate in the Muslim world. Therefore, the origin, development, and negative effects of radical Islam on HRs should give Africans a re-think.

## CONCLUSION

Arising from the foregoing discussion, there is no single driver of Islamic radicalization; hence the issue of how to address the phenomenon in Africa, and other parts of the world is undoubtedly complex. However, there are a variety of approaches that have been used in various African countries, most of which tend to be led by governments to stop human rights abuses and violations by radical Islamists. Many countries in Africa have tried to contain the negative effects of radical Islamic preachers through direct state oversight. Morocco, for instance, has introduced comprehensive counter-radicalization measures that have included an extensive and wide-ranging religious reform program (Schmid 2013, 34). Nigeria, on the other hand, has done the same including granting repentant extremists amnesty and holistic rehabilitation including recruiting them into the Nigerian military.

Admitted or not, education and good governance play a pivotal role in determining the pattern of religiousness and patriotism. Hence, the collaboration between education and the pattern of religiousness will not give birth to a brutal, radical religion or movement insofar as no political power intervention enters into it. Violence and the like will grow if religion is co-opted by political power and total ignorance. Human rights give a sense of humanness to the human person; hence true religion will not only recognize human rights but protect and uphold them at the time. The prevalent killings, maiming, bombings, raping, kidnapping, and forceful proselytization perpetrated by Muslim radicals in the name of Islam do not portray the ideals of true religion. Governments can de-legitimize radical Islamism and the actions of radical Islamic groups through religious rehabilitation programs. While the instrumentality of dialogue should not be neglected, propagating and demonstrating good governance, economic and political inclusiveness are significant tools in discouraging and cubing radical Islamism among African countries. 🌍

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# COLLECTIVE MEMORY IN THE CONTEXT OF CONTENT RECONFIGURATION: THE ANECDOTES OF THE SOVIET AND POST-SOVIET ERA

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**Abstract:** *The article considers the phenomenon of collective memory as a resource of social interaction, legitimization of social practices. In particular, attention is paid to aspects of reconfiguration of the content of the collective memory of the Soviet and post-Soviet periods. Societies remember differently. Ukrainian society has a traumatic social experience gained as a result of the transformational processes of the collapse of the Soviet Union, the formation of an independent state, a democratic political order. The phenomenon of memory is considered in more detail on the example of the results of the study of collective memory reflected in anecdotes. The authors noted that the anecdote is a mechanism for translating cultural meanings into the memory of societies. The anecdote represents the symbolic systems of objective manifestations of collective memory. Based on the analysis of the results of the research by the method of content analysis using the online program Voyant Tools, reconfigurations of the content of anecdotes were recorded: from political to private; from local toponymic discourse to global; from ridiculing the policy of the state to the experience of society through the humor of the historical events of the formation of independent Ukraine.*

**Keywords:** *Cultural Memory; Soviet Period; Post-Soviet Period; Social Memory; Anecdote*

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## INTRODUCTION

The modern global society is a social reality in which tectonic institutional social changes occur due to the processes of technologization, digitalization, virtualization, visualization, commercialization, and medicalization. The modern world for an individual is no longer clear and steady, but, on the contrary, unpredictable, 'fluid', saturated with risks. The situation is complicated by the Covid-19 pandemic, which, due to quarantine restrictions, has changed the functioning of almost all social institutions of the society,



the lifestyle of people, and accelerated certain social processes. The processes of global international stratification and increasing social inequality have begun. All countries of the world have accumulated economic, social, political, and other resources to overcome current problems. It is important to understand and realize what historical and socio-cultural heritage the states have entered the pandemic world with. How this will allow implementing measures to ensure the safety of citizens and choose a progressive vector of domestic and foreign policy.

The Ukrainian society is a part of the global world, and therefore it is characterized by the above-mentioned societal and institutional processes. Ukraine has in its historical and socio-cultural heritage the peculiarities of overcoming the totalitarian and authoritarian past and establishing a democratic political system. These powerful transformational processes have become a source of collective memory. In the context of this situation, the problem of collective memory as a resource of social interaction, legitimization of social practices becomes relevant.

Sociological interest in the phenomenon of collective memory is due to the search for mechanisms that form and support sociality. We are impressed by A. Filippov's idea of the relationship between past and present events. The scientist, reflecting on the phenomenon of event, argues his ideas with the concept of the sociologist G. Mead, and notes that the present symbolizes and reconstructs its past, which manifests itself in new events of the present. The memory of the past is necessary for constructing social interaction, since it acts as a 'cultural model', thanks to it, ideas about the approved forms of social action of an individual are formed. Memory provides information, designs meaning for the present, evokes emotions, empathy, and provides social identification (Filippov 2004).

In this case, the possibilities of analyzing social memory are based on the understanding that this phenomenon unfolds in two planes: global and local. Thus, at the first level, cross-cultural transformation processes have affected various spheres of society's life. Without a doubt, these processes have also affected the sphere of public memorization and memory in general. Collective memory is a complex multicomponent phenomenon that connects the past with modern reality, thereby both reproducing and forming new symbolic meanings and aspects of understanding. A certain value-symbolic reconfiguration takes place.

The focus of our research is fixed on defining the reconfiguration of social memory, or rather, collective memory, as its variety, at the local level. In this case, an important area of scientific research is to define the reconstruction of collective memory at the level of local social processes after the collapse of the USSR and the formation and development of Ukrainian society. We are speaking rather about reflecting the content components of collective memory, searching for mechanisms for adapting cultural meanings. One of these mechanisms, in our opinion, is an anecdote that represents sign systems of objective manifestations of collective memory.



There are two types of sign systems: written culture and oral tradition. In the context of our scientific search, it is relevant to consider folklore as an element of oral tradition. After all, anecdote, as a part of folklore, reflects a certain reflection on recorded events and in its informational content can resist official discourse, which makes it independent of the political situation, a carrier of social memory. Therefore, the study of such a memory carrier independent of subjective influence is very relevant in the context of comparing two periods, and thus it is possible to record certain reconfigurations that occurred in the collective memory of Ukrainian society.

## THEORETICAL AND METHODOLOGICAL FOUNDATIONS

Since the 20s of the twentieth century, social researchers have turned to defining the content of the phenomenon of social memory. Today we have a sufficient body of theoretical and methodological interpretations of this phenomenon. However, as a part of the proposed scientific research, we shall try to analyze the main approaches and justify the one that will be used for further analysis of collective memory. The phenomenon of social memory, due to its content diversity, the multiplicity of forms of fixation and retranslation, has an interdisciplinary character. The functional approach focuses on the social memory of individual groups in terms of the role it plays in maintaining their integrity and sustainability. M. Halbwachs declared a collective a subject of memory, considering memory a collective function. He distinguished between individual (autobiographical) and collective (social) memory. At the same time, the latter is an integral part of social thinking along with the mental activity. The content of memory is recollections, that is, collective representations (ideas, judgments, images) that are subject to changes under the influence of time and circumstances. So, first of all, M. Halbwachs determined the social essence of memory and its structural components (Hatton 2004, 191-204).

M. Halbwachs states that "a person evokes his recollections in his memory through the framework of social memory. In other words, the various groups into which society is divided can reconstruct their past at any time" (Halbwachs 2007, 336). Thus, according to the concept of social memory by M. Halbwachs, it can be said that this phenomenon is dynamic and directly related to the identification and value mechanisms of a particular society. Also, the sociologist must draw attention to the constructive nature of social memory, that is, the property of certain elements of memory to become actual in a specific period of society's life. However, collective memory is not identical to historical events. Social groups only remember events that are important to them for certain reasons. Therefore, collective memory has the character of multiplicity, in contrast to historical memory (Halbwachs 2007, 7-8). So, collective memory consists of specific symbols and images, significant reminiscences. Any idea can acquire the characteristics of collective memory on the condition that it takes a certain form, and

*vice versa*, a social event, a social phenomenon imprinted in collective memory becomes the carrier of the corresponding idea. The formed images of collective memory are presented in certain forms, one of which, in our opinion, is an anecdote.

J. Assmann continues to develop the ideas of M. Halbwachs as a part of his concept of 'cultural memory'. According to which, two types of memory can be distinguished: communicative, which is used in everyday life, and cultural, which has a sacred meaning. Communicative memory is dynamic and short-term and plays an important role in social processes, while cultural memory is static and long-term, has a sacred meaning, and is used in ritual communication (Assmann 2004, 11-25). Images of collective memory can move from cultural memory to the space of communicative memory and, thus, lose their meaning, because they are short-term and quickly forgotten. Therefore, cultural memory is metaphorical and is reflected in language constructions, as well as collective memory. The latter, in this case, forms a certain symbolic reality, that represents stereotypes, ideas about social events, and social phenomena. An example of retranslation of these contents of collective memory, in our opinion, can be anecdotes.

The integrational sociological direction adds knowledge about the specifics of cultural memory and its reconfiguration. In this context, J. Rebane proposed an informational approach and defined social memory as a set of non-hereditary socio-cultural means and information systems. He identified the main groups of social information presenters: 1) subjects such as labor results and tools of production; 2) objective social relations; 3) language and non-linguistic semiotic means capable of transferring information (Rebane 1982, 44-54).

For further research of the specifics of social memory in the modern post-Soviet space, it is necessary first of all to identify those social elements within the framework of which it manifests itself. In identifying these elements, we are based on the information approach of J. Rebane. The scientist believes that although human is the main carrier of social memory, there are other types of carriers: products of human activity that have relative independence from human consciousness; tools of production that express the labor results ('material culture'); objective social relations based on production relations; language and other sign systems capable of transferring information (Rebane 1982, 165-166). Quite important for our further research is that J. Rebane, as a part of the information approach, defined certain points and aspects of the social reality of various nature and content, which can be translators of information about the past. Such a reality, in our opinion, can be an anecdote in the context of the dynamics of cultural, informational, and collective memory. I. A. Mankevich claims that anecdote belongs to the most enduring folklore genre that preserves, unlike other genre types, amazing mobility and productivity towards new texts, and stimulates the active interest of specialists in various humanitarian fields.

Anecdote responds to significant events of today, aging and growing a 'beard' along with the news of yesterday (Mankevich 2005, 94-97). So, anecdote as an element of modern folklore, due to its unique features, is a fairly vivid representative of collective memory in the form of a joke, 'black' humor, because it performs the function of fixing events and values of society in a certain time frame.

We find the confirmation of this idea within the framework of the theory of transformation of laughter culture of the Soviet and post-Soviet periods by I. Kaspe. Kaspe defines anecdote as a mechanism for adapting cultural meanings, integrated into the communicative process, inserted in a certain socio-cultural situation. Thus, according to him, an anecdote in Soviet times ridiculed the official ideology and at the same time remaining within the framework of a relatively stable unofficial value-normative structure. Post-Soviet anecdote is a construct at the time of the collapse of the Soviet system. "Humanity breaks up with its past with a smile", this is how Kaspe, in our opinion, defines the function of anecdote as a carrier of collective memory (Kaspe 2000, 327-334). And by engaging J. Assmann's ideas, we can assume that the content modes of anecdote, depending on socio-cultural conditions and the significance of historical events, acquire signs of cultural and communicative memory.

So, according to the presented theoretical perspectives on the content of social (collective) memory, we shall try to determine the points of reconfiguration of its content through the study of anecdote as a space of representation of memory elements.

## RECONFIGURATIONS OF THE CONTENT OF ANECDOTES

To study the reconfiguration of content modes represented in anecdotes of the Soviet and modern periods, we used the content analysis method, which is based on a quantitative and qualitative methodology. This is due, firstly, to the fact that we are studying such a type of translator of social (collective) memory as a sign system, which by its nature manifests itself in the form of text, and therefore content analysis allows us to analyze the text according to certain indicators. Secondly, this is because this method is effective in the context of comparing the information content of Soviet and modern anecdotes. After all, with its help, we can distinguish the content features of thematic content from all the massive scope of anecdotes and compare them within two time periods.

In our study, the objects are anecdotes of various topics of two time periods: late Soviet (1945-1991) and modern (1991-2018). This is due to the general goal of our research, which is to compare the thematic content of two-time groups of anecdotes as carriers of certain information. These groups of anecdotes were selected to trace the information transformation of collective memory during the transition from a closed (Soviet) to an open (post-Soviet) society using a specific sign system (humorous

folklore). The selection was created based on two databases of anecdotes of different topics following the period, selected using search queries on the internet. At the first stage, websites were selected based on the popularity criterion from the search query in Google, the indication of the period of anecdotes on the website following two created databases, and a non-fixed thematic set of anecdotes on a particular website. This way two databases of anecdotes of the Soviet and modern era were created. The Soviet database has a volume of 2033 anecdotes, and the modern database has a volume of 1842 anecdotes. At the second stage, a continuous sampling method was applied to two databases of anecdotes. To calculate the data, the Voyant tools online program was used, which calculates the frequency of words in the text, which is convenient for large amounts of information. The codifier consisted of nine blocks, which allowed identifying certain content characteristics: thematic sphere, historical events, mention of geographical toponyms, historical figures and personalities, gender characteristics of characters, the social sphere and activity of the character (social roles), status characteristics of the character, the type of social relations (confrontation, consolidation), represented values (material, post-material).

As part of understanding anecdote as a codification system that represents meaningful perspectives of collective memory, we shall analyze quantitative results and certain qualitative observations through the prism of comparing the information specifics of two databases of anecdotes.

The thematic sphere of anecdotes' content is presented as the following spheres: politics, socio-cultural sphere, economic, family and private, ethnic, gender, and religious sphere. By comparing the thematic sphere of late Soviet and modern anecdotes, we can identify differences in the thematic and informational content of Soviet and modern anecdotes as carriers of collective memory. We can see that in the context of Soviet anecdotes, the most popular topic is political (22.7%).

Based on the indicator groups of words in this subcategory, this is most often a reference to certain political subjects, a political system (communism), and state projects (anti-alcohol campaign). Given the humorous and sarcastic genre of this folklore element, we can say that each topic is to a certain extent an object of ridicule. Therefore, a significant amount of political topics in Soviet anecdotes shows us the presentation of social memory in the USSR through the context of contrasting to the official Soviet discourse in the past and idealizing the memory of Soviet politics today. And the largest volume of this thematic sphere in comparison with others shows us the relevance of the problem of politics in Soviet society and the significant representation of political discourse in the social memory of Soviet society. The following topics in the Soviet anecdotes are slightly inferior in volume: economic (19.4%), and socio-cultural (18.3%). They, as related topics to the political one, also demonstrate ridiculing the system elements of the Soviet state structure. In the context of the economic sphere, this is primarily a reference to destructive manifestations of the economy (deficit, queues), and

socio-cultural topics are represented by a reference to negative, deviant mass phenomena of the Soviet reality (crimes, alcoholism). Elements of other topics are mentioned to a lesser extent: ethnic (most often, it's a reference to representatives of ethnic groups - the Chukchi, the Armenians, and the foreigners) (15.3%), family and private (13.4%), gender (9.5%) and the religious topic is the least mentioned (1.4%). These, to a certain extent, more everyday topics reflecting ethnic memory, family memory, and gender memory, in Soviet anecdotes have faded into the background due to the significant actualization of reflection on political, economic, and socio-cultural events of the past Soviet reality.

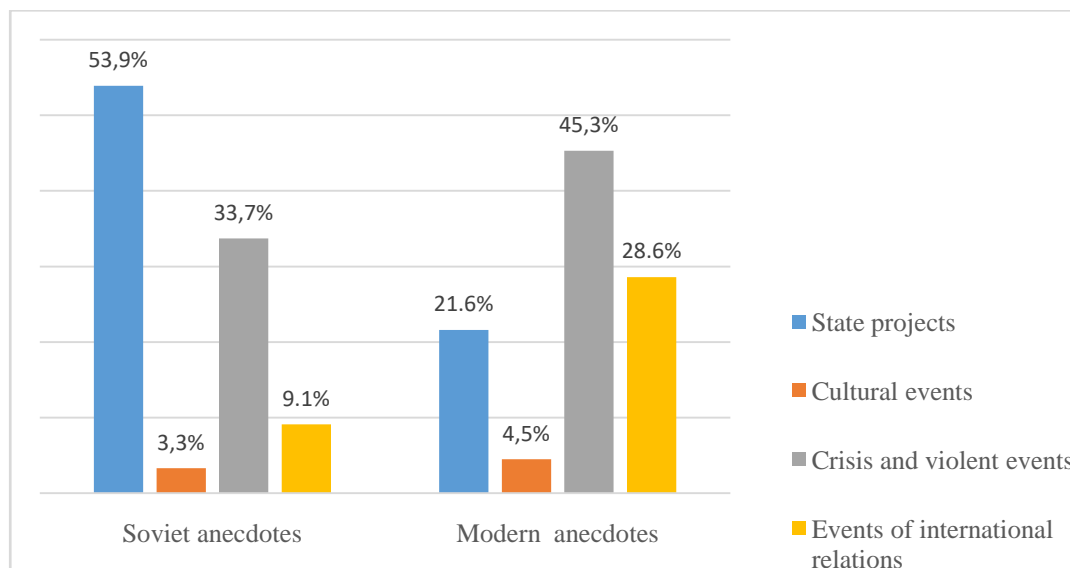
In modern anecdotes, the most popular and ridiculed are the institution of the family, gender, and ethnic issues. The content mode of anecdotes moves to the family and household sphere (34%) of mentions. Political topics, in contrast to Soviet anecdotes, are less represented (11.8%). This trend is also evident in socio-cultural and economic topics (11.6%) and (9.3%), respectively. Religious topics are presented less than in Soviet anecdotes (0.7%). Thus, comparing the thematic sphere of Soviet and modern anecdotes, we noticed a certain mirror pattern.

In Soviet anecdotes, certain global elements (politics, economy, society as a whole) were most often ridiculed, while in modern anecdotes, the emphasis shifts more to the interpersonal and identification level (family, gender, ethnicity). So, within the framework of our scientific goals, we can say that the Soviet anecdote most often represents elements of collective memory that reflect a societal level of social reality, in particular, the institution of the state, while the modern anecdote more reflects an everyday level (interpersonal systems), in particular, family memory, gender memory, ethnic memory (ethnic identification). The content reconfiguration took place from the topics of the public sphere to the private one.

Regarding the consideration of specific historical events, Soviet anecdotes most often mention state projects (de-Stalinization, Glasnost, anti-alcohol campaign, etc., and to a lesser extent, the events of the early USSR are mentioned, namely collectivization, industrialization) (53.9%) (Figure 1). This confirms that political discourse prevailed in the collective memory of Soviet society. The second most popular group of historical events is crisis and violence periods (the majority of references were to the Great Patriotic War, the Afghan war, and the October Revolution) (33.7%). Events of international relations (mostly represented by the Cold War with the United States) have 9.1% of mentions. Cultural events (the Olympics) were the least mentioned (3.3%).

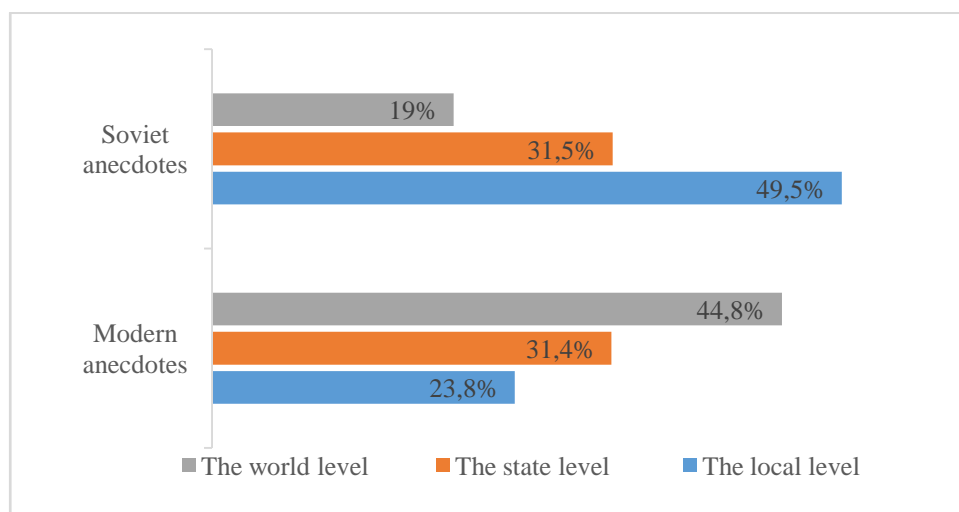
In modern Ukrainian anecdotes, crisis and violent events are most often mentioned (45.3%), to a greater extent this is a reflection on a wide range of traumatic events, from the Holodomor of the 30s of the XX century to modern events (the Maidans, ATO). Events of international relations are also often mentioned (28.6%) (These are mostly indicator words related to European integration and relations with the

Russian Federation). State projects (lustration, decentralization, etc.) are slightly represented (21.6%). Cultural events (Eurovision, Euro 2012) are the least mentioned.



**Figure 1: Reflection of Historical Events in Anecdotes (Source: Authors' depiction)**

So, comparing the mention of specific historical events in Soviet and modern anecdotes, we concluded that in Soviet anecdotes, historical events are more related to political topics, which once again confirms the dominance of political discourse in social memory. In modern anecdotes, we see the dominance of traumatic memory.



**Figure 2: Levels of Mentioning Historical/Geographical Toponyms in Anecdotes (Source: Authors' depiction)**

Regarding the levels of geographical toponyms presented in Soviet and modern anecdotes (Figure 2), we see that in Soviet anecdotes the local level (city, town) is most mentioned (49.5%), then the state level (31.5%), and the world level (19%). In modern anecdotes, the situation is almost mirror-like: the world level is most mentioned (44.8%), then the state level (31.4%), and the local level (23.8%).

So, within the framework of the mirror results obtained, we concluded that in a closed (Soviet) society, due to the conditions of the 'Iron Curtain', the information of the extra-Soviet space was less relevant, and its lack was compensated by an increase in information of regional content (anecdotes about Odesa). In the conditions of Ukrainian open society and due to the overlap of globalization processes, the mention of world-class information increases (anecdotes about other countries).

Thus, we have identified the content points of reconfiguration of collective memory, namely: in Soviet anecdotes, a more regional context is presented, while in modern anecdotes the global level is relevant; the Soviet anecdote most often represents elements of social memory that reflect macro-system phenomena of social reality, in particular, the institution of the state, politics, while the modern anecdote reflects the everyday level (interpersonal systems), in particular, family memory, gender memory, ethnic memory (ethnic identification); the dominance of political discourse in the collective memory of the Soviet era, and in modern anecdotes, we note the dominance of traumatic memory.

## CONCLUSION

In general, we can confirm such a problem's importance, taking into account the formation of a paradigm space for comprehension of the phenomenon of collective memory through the analysis of anecdotes as a mechanism for adapting cultural meanings about the past. Memory through an anecdote acquires signs of collective memory, if it is significant for social communities and society, or communicative memory, in the opposite situation. On the other hand, the content of modern anecdotes retranslates certain ideas about the present and thereby forms a landscape of samples of stereotypes, social attitudes about 'culturally approved' forms of social behavior in society. The specifics of anecdote as a folklore genre allow us to identify specifically unofficial discourse, which is relevant for the Soviet era. It was during that period that the duality of consciousness of the mentality of Ukrainians was formed, which today is one of the determining factors in the formation of modern social practices of individuals, public consciousness, and public opinion.

Having characterized the general trends of collective memory, we analyzed its internal information structure in the context of post-Soviet transformation. To do this, as part of the information approach, we have chosen such an objective memory carrier as an anecdote. It can reflect certain events of the past in its humorous style and quickly




spread in society. Based on the obtained results of the content analysis, we identified the aspects of reconfiguration of the collective memory contents in Soviet and modern anecdotes.

Firstly, Soviet anecdotes tend in their topics more to the societal level (politics, economics, society as a whole), while in modern anecdotes, the topics of identification and interpersonal nature (family, gender, and ethnic issues) are more popular.

Secondly, given the mention of specific events, Soviet anecdotes most often ridicule events related to the activities of the state, while in modern anecdotes the most significant amount is occupied by events of a traumatic nature (war, revolutions).

Thirdly, given the mentioned levels of toponyms, Soviet anecdotes focus mostly on the local level, namely, certain cities or villages within the Soviet Union are mentioned, which to a certain extent is associated with the specifics of a closed society. Meanwhile, modern anecdotes of an open society focus on the world level, which is explained by the globalization processes.

So, in Soviet anecdotes, conveying collective memory is characterized by an emphasis, in general terms, on macro-system objects, including political and economic realities, and territorial localization in the Soviet space itself. While in modern anecdotes, the memory of certain macro-system events fades into the background, against the background of updating topics related to family, ethnic, and gender memory; and territorial localization shifts from the internal geography of the state to the world level. Further research within the framework of this problem is promising in the direction of applying a semiotic approach, a method of analyzing metaphors for analyzing the code system of texts, in particular anecdotes. 

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# AFGHANISTAN UNDER TALIBAN: A NEW REGIME POSES A THREAT TO INTERNATIONAL STABILITY

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**Abstract:** *The purpose of this study was to see whether the Taliban regime poses a threat to the international community. The research primarily examined the threats that the formation of a theocratic regime in Afghanistan poses to neighboring countries and the international community. With regards to research methods, a document analysis method was used to obtain valid information and to analyze and describe the complex situation in Afghanistan. A wide array of documents and scholarly articles were analyzed to obtain reliable and objective information. This research revealed that the Taliban has not changed at all and still rules Afghanistan with medieval methods and strategies. Since the Taliban takeover of Afghanistan, the economic situation has deteriorated considerably and people face severe hardship. Therefore, hundreds of thousands of Afghans want to leave their homeland and migrate to the West. The Taliban violates constantly human rights and discriminates against women, ethnic and religious minorities. The Taliban has transformed Afghanistan into a narco-state. Neighboring countries fear that Afghanistan might become a hotbed of terrorism and extremism again.*

**Keywords:** *Taliban; Afghanistan; Economic Crisis; Terrorism; Terrorist Organizations; Drug Trade; Narco-State*

## INTRODUCTION

One of the tragic periods in the history of Afghanistan is a 'dark age' of Taliban domination in 1996-2001 when radical Islamists established a strict theocratic rule in the country. The Taliban regime was highly authoritarian and strict censorship and restrictions were imposed on Afghan people. The political power was concentrated in the hands of a small group of senior Taliban clerics, who ruled Afghan society according to Sharia law. They declared Afghanistan an Islamic emirate and started imposing their strict interpretation of Islamic law. Women were not allowed to attend school. They were unable to obtain an education, work, or participate in politics. All types of music were banned, and strict censorship was established. As time passed more and more restrictive measures were imposed on Afghan society and life became unbearable for ordinary people. Millions of Afghans who lived through the 1990s remember the Taliban's harsh

rules and governing style. The Taliban clerics have studied in conservative religious schools in Afghanistan and Pakistan and some of them have also fought against the Soviet Union in the 1980s.

For years, many religious schools in Pakistan and Afghanistan incubated extremism and were transformed into the training grounds for jihadists. The Taliban leaders, who were educated in these religious schools, have managed to retake power almost 20 years after being ousted by a US-led military coalition in 2001. After Biden decided to withdraw US troops from Afghanistan, the Taliban took control of major cities in the country, including Kabul, and forced the democratically elected government to flee. In other words, the US withdrawal emboldened the Taliban to overthrow the democratically elected government of Afghanistan and establish a theocracy in Afghanistan.

When the fighting was ongoing between the Taliban and the Afghan Army, the world was grappling with how to deal with the fast-moving events in Afghanistan. The international community watched in amazement as events unfolded in Afghanistan, as no one expected that the Taliban could defeat the Afghan Armed Forces so easily. For some reason, everyone (including the intelligence services of leading Western countries) thought that the fighting would last for a long time and that the Afghan army would be able to resist the 'badly' armed radical Islamists. However, the events did not unfold in a way as was expected in the West. The Taliban defeated very easily a demoralized and incompetent army and overthrew a democratically elected government of Afghanistan. The Taliban takeover of Afghanistan sent shockwaves around the world. The speed of the Afghan national armies' collapse and the disintegration of President Ashraf Ghani's government took even the United States of America by surprise. Now, the international community is trying to figure out how to deal with the new realities on the ground.

Since 2001 The United States of America has spent almost 2 trillion dollars on the war and reconstruction projects and implemented a large number of programs in Afghanistan to strengthen Afghanistan's security and armed forces. The United States of America and its allies did not spare financial resources and effort to train and equip the 300,000-strong Afghan army, which later turned out to be a waste of money (Sabga 2021). The West has not achieved its strategic goal in Afghanistan and has suffered a bitter defeat: it has failed to pull the country out of a severe economic, social and financial crisis and transform it into a western-style liberal democracy (Vanda Felbab-Brown, 2021). A theocratic regime has been re-established in Afghanistan and the country has returned to its dark past. The Taliban have taken control of the country and are determined to rule it using medieval methods and strategies.

## FINANCIAL AND ECONOMIC CRISIS IN AFGHANISTAN

After the Taliban came to power, a major financial crisis erupted in Afghanistan and the economy collapsed as the US Federal Reserve seized assets of the Central Bank of Afghanistan. After the Islamists captured Kabul and seized power, the West imposed sanctions on Afghanistan. This decision created a severe humanitarian and economic crisis in the country. The already difficult socio-economic situation of the Afghan people has worsened and the country is on the verge of a humanitarian catastrophe. It is predicted that, the economic situation will become even more unbearable in the future and millions of Afghans will leave their homeland. The United Nations estimates that about half a million Afghan refugees will flee the country and seek refuge in the West.

Since the establishment of the theocratic regime, Afghanistan is completely isolated from the rest of the world. No country is in a hurry to recognize the legitimacy of the Taliban, which makes the difficult economic situation in Afghanistan even more unbearable. International funds and organizations, which previously provided significant assistance to the country and funded various programs, are no longer cooperating with the Afghan regime after the Islamists came to power. They decided to suspend their financial activities in the country. For example, the World Bank and the International Monetary Fund have stopped funding Afghanistan and implementing various projects in the country. The United States has frozen nearly \$ 9.5 billion of the country's foreign reserves and has stopped sending financial resources to Kabul (Mohsin 2021). Due to such a dire situation, a complete economic collapse in Afghanistan is imminent shortly. The country is gradually returning to the dark past and the Stone Age (Radio Liberty 2021).

The West fears that if the economic crisis in Afghanistan continues, it could pose new challenges for the world, as the number of people willing to leave the country will increase significantly. In other words, if the dire economic situation fails to stabilize, a refugee crisis will be inevitable in the future. It is expected that soon a large influx of refugees will flow to the West and millions of Afghans will start migrating to Europe. 95% of the Afghan population does not have enough income to support their families (World Food Program 2021). More than half of the population, 22.8 million people are starving and experiencing food shortages (Goldbaum 2021). Frequent conflicts, political and economic instability, droughts, and scarce crops further increase the risk of mass starvation. The whole country is now left to rely on the World Food Program and UN aid. The United Nations is warning that millions of Children could starve or freeze to death this winter if they do not get immediate help.

The Taliban regime is composed of incompetent people, who do not have any plans or strategy how to deal with such a difficult situation and overcome the economic and financial crisis. Afghan people are deeply worried about the Taliban's ability to govern the country and solve socio-economic problems. Most public sector employees

have not received salaries for months and face severe hardship. Since the Taliban takeover of Afghanistan 85% of the factories have ceased production and many entrepreneurs have left the country (Jurist Staff 2021). As a result, the unemployment rate has increased considerably and for many Afghans, the country has become a prison. A huge number of Afghans want to flee and escape the fear, hunger, and uncertainty of the new regime. They are determined to leave Afghanistan as soon as possible. Nearly a quarter of Afghanistan, approximately 5 million people have already fled a country ruined by the war. Because of the widespread poverty and the Taliban's brutal rule, many people do not feel secure and are desperate to leave the country.

### THE THREAT OF THE RISE OF TERRORISM AND EXTREMISM IN AFGHANISTAN

Since the Taliban seized power, the legal status of women in Afghanistan has also deteriorated. When the Taliban took over Kabul and came to power, they promised the Afghan people that they would form an inclusive government that would protect the rights of national minorities, religious minorities, and women. In its first news conference since taking Kabul, the Taliban promised the international community that it would protect women's rights, give amnesty to those people who worked with foreigners, and respect media freedoms. Its leaders also publicly stated that they would not let other terrorist groups use Afghanistan to launch terrorist attacks on any other country and they called on women and other minorities to join their government. But many Afghans and world leaders remain skeptical towards the new regime and they do not trust the Taliban. Although the Taliban has announced an amnesty for their opponents, human rights groups have documented numerous reprisal killings. The Taliban are still hunting down the people who worked for the former government. 250 media organizations have shut down since the Taliban takeover of Afghanistan (Graham-Harrison 2021).

Ever since the Taliban took power, their government officials have been lobbying hard for international recognition. They want to escape isolation and therefore, try hard to portray themselves as more moderate than during their 1990s rule. The Taliban has sought to reassure the international community that no one would be harmed in Afghanistan and that every citizen's rights would be protected. However, when the terrorist attacks in different provinces of Afghanistan resumed and the terrorist organization 'Islamic State-Khorasan' killed many Shiites and ethnic minorities because of their religious beliefs, it became clear to everyone that the Taliban's promise was a lie and a complete bluff. The Taliban have already broken their promises and have started to gradually restrict women's rights and freedoms. Many women have lost their jobs and consequently, their socio-economic conditions have worsened considerably. Women's rights protests have been declared illegal in Afghanistan. Violent crackdowns on women have driven the protests off the streets. It is getting very difficult for women to make their voices to be heard. Every time they gather to protest, they are forced to disperse.



Taliban is gradually returning to the hard-line rule of the 1990s and women are not even allowed to walk in the streets without a male guardian. The Taliban are imposing strict restrictions on Afghan society and enacting draconian laws. Most of the women are oppressed, who no longer have the right to dress as they wish, and are forced to wear Burqas. Every woman is obliged to wear a burqa and cover her face and body according to strict religious rules. The doors of schools and state universities are now closed for women. Oppressed Afghan women often stage protests in Kabul demanding their right to work and education. They want the international community to put more pressure on Taliban leaders.

When The Taliban formed a new government in Afghanistan, women were not offered any senior positions and were completely excluded from politics. Recent developments in Afghanistan: the crackdown on women's rallies, the persecution of ethnic and religious minorities, and the escalation of terrorist attacks demonstrated that the Taliban are as ruthless and backward as they were 20 years ago and haven't made any progress in recent decades. It seems that they don't intend to respect the national minorities' rights or women's rights.

There West fears that Afghanistan will once again become a hotbed of terrorism and extremism, and many terrorist organizations will resume their dangerous activities under the Taliban regime. There is a danger that the terrorist organizations operating in Afghanistan - 'Islamic State-Khorasan' and 'al-Qaeda' will be strengthened to the point that in a few months they will be able to attack the United States and other Western countries. The Taliban regime, which is now completely isolated due to Western sanctions, may create favorable conditions for terrorist organizations and jihadi groups in Afghanistan. Moreover, they may even encourage terrorist organizations to launch deadly attacks against the West.

The United States, China, and Russia are making pressure on the Taliban and urging them not to provide safe havens for transnational terrorist groups. Nevertheless, there is a danger that the terrorist groups, which are very much emboldened by the Taliban's success, may try to gain a foothold in Afghanistan and establish their training camps there, which is likely to lead to a significant increase in global terrorism and transnational organized crime. Afghanistan's neighbors are very worried and think that this country could become again a breeding ground for terrorism and extremism (Carbonaro 2021).

Neighboring countries, especially India and Central Asian countries, are watching with great concern the consolidation of the Taliban regime in Afghanistan. There is a widespread view in India that the Taliban leaders were supported by the Pakistani government and intelligence (Kumar 2021). Indians believe that it was with the help of Pakistan that the Taliban managed to overthrow the US-backed government of Ashraf Ghani and seized power. The former president of Afghanistan Ashraf Ghani had a very warm and friendly relationship with the Prime Minister of India Narendra Modi and he

was considered as an ally of India. India invested about \$ 3 billion in Afghanistan and made significant efforts to develop the country. Indians trained the Afghan army and police and supplied them with military equipment, while Pakistan maintained close ties with the Taliban (The Associated Press 2021). India is distrustful of the new Taliban regime, which it perceives as a puppet of Pakistan. Pakistan provided significant financial, economic, and moral assistance to the Taliban, and with the help of Pakistan's intelligence service, the Taliban managed to seize power in Afghanistan in the 1990s.

When the United States of America invaded Afghanistan and overthrew the Taliban's brutal regime in 2001, Taliban leaders migrated to neighboring Pakistan and obtained a 'safe haven' there. Since then, Pakistan has been offering material and moral support to the Taliban. Pakistan has offered support to the Taliban during the most difficult times when they were persecuted after the US military intervention in Afghanistan. Indians believe that without Pakistan's support Taliban would not have been able to take Kabul and overthrow the government of Ashraf Ghani.

India particularly fears that Pakistan could activate terrorist groups operating in Afghanistan and carry out terrorist acts with their help in Kashmir province. Two extremist groups operating in Kashmir - 'Lashkar-e-Taiba' and 'Jaish-e-Mohammed' - have historical ties to the Taliban. According to a UN report, 6,500 members of Lashkar-e-Taiba and Jaish-e-Mohammed took part in the fight against Ashraf Ghani's government in Afghanistan and sided with the Taliban (Ellis-Petersen 2021). New Delhi fears that the Taliban victory in Afghanistan will embolden these extremist groups and motivate them to resume fighting in Kashmir against India. Indians fear that Afghanistan could become a base from where Islamists could carry out jihad on Indian soil (Ellis-Petersen 2021). Indian government officials believe that Afghanistan could turn into a base for extremist groups fighting against India, from which radical Islamists will plan and then carry out terrorist acts on Indian soil. That is why Indians are watching with great concern the events unfolding in Afghanistan, as they believe that extremist groups operating in Afghanistan can create major problems for India's security.

The Taliban regime poses a great threat not only to India but also to the People's Republic of China. The terrorist organization 'Eastern Turkistan Islamic Movement' which operates in Xinjiang province, has close ties to Afghanistan. Hundreds of fighters of this paramilitary organization are present in Afghanistan, in Badakhshan province. China hopes that the Taliban will take appropriate measures to prevent the entry of militants of the East Turkistan Islamic Movement into Xinjiang province and will not fund their terrorist activities. Chinese authorities decided to tighten control of the border with Afghanistan to prevent the terrorists of the East Turkistan Islamic Movement from entering China (Noorzai and Yang 2021). When the Taliban defeated the Afghan armed forces and came to power, they seized large quantities of ammunition, as well as armored vehicles, aircraft, and weapons.

After gaining such a large number of weapons, the Taliban has become the most well-armed jihadist group in the world. They may supply these weapons to other terrorist organizations and jihadi groups. When these radical groups will be equipped with such dangerous weapons, they may carry out deadly attacks against neighboring countries of Afghanistan. When the Taliban leaders have seized the power in Afghanistan they have released large numbers of prisoners, including extremists, from Afghan prisons. As they advanced towards the capital, the Taliban stormed the country's jails one by one. They freed thousands of Taliban fighters, as well as al-Qaeda and IS militants. Releasing thousands of extremists and radical Islamists from prisons poses new threats to humanity and increases the likelihood of future terrorist attacks (Wood 2021). In June 2021, the United Nations released a report stating that there were approximately 8,000 to 10,000 foreign terrorists in Afghanistan from Central Asia, the North Caucasus, Pakistan, and China from Xinjiang Province (Schmitt 2021).

### TRANSFORMATION OF AFGHANISTAN INTO A NARCO-STATE

Because the Taliban regime is in complete isolation and receives no financial assistance from other states or international organizations, there is a great danger that the ousted regime will start mass-producing drugs and selling them worldwide. Because of the absence of foreign aid, Afghan farmers have no other option but to increase opium production. Foreign aid accounted for about 43% of Afghanistan's GDP in 2020. But now that international aid is being replaced by sanctions. Due to the international isolation, many Afghan farmers view drug production and trade as the only solution to survive and feed their families. Afghanistan has long played a central role in the global narcotics trade. Now, that the country has been taken over by Islamists and extremists, more favorable conditions are being created for the development of the drug business and narco-terrorism. Millions of Afghans are turning to opium poppy cultivation to finance their livelihoods.

Since the Taliban takeover of Afghanistan drug trade is booming. Afghanistan is the largest producer of Heroin and Opium in the world. According to the United Nations, Office on Drugs and Crime 80% of global opium and heroin supplies originate from Afghanistan (United Nations Office on Drugs and Crime 2021b). Most of the heroin is smuggled through Iran and Pakistan and ends up in Europe. 5% to 10 % of it reaches the United States of America (United Nations Office on Drugs and Crime 2021b). Before the Taliban takeover opium traders paid off corrupt officials and sold narcotics secretly. Now they have been allowed to open up stalls in markets. Every week opium farmers gather in markets to sell their harvest. Opium farmers are afraid that the new regime might ban opium trade and production as they did in the year 2000. The Taliban did ban opium farming in 2000, although it didn't last. Now, opium farmers fear that the Taliban will ban again opium production after the peace deal was signed with the USA.

But, in reality, the Taliban are not interested in stopping the drug trade and production. They have been taxing it for years. The Taliban view drug production as a very profitable business, which brings in hundreds of millions of dollars. Opium is now sold openly in markets. Opium accounts for 6 percent to 11 percent of Afghanistan's GDP, depending on the year's harvest (The Economist 2021). For comparison, at the height of Colombia's drug trade in the 1980s, cocaine accounted for 6 % of the country's GDP (Badkar 2011). In 2020 about 224.000 hectares of opium poppies were cultivated in Afghanistan and approximately 6.300 tons of opium were produced (United Nations Office on Drugs and Crime 2021).

Apart from heroin, the Taliban also produce hashish and crystal methamphetamine. Afghanistan has become a major producer of crystal methamphetamine thanks to the cultivation of naturally occurring ephedra plants in the country's mountainous regions. Since the Taliban takeover of Afghanistan, the country produces 3000 kilograms of crystal methamphetamine every day (Secunder Kermani 2021). The vast majority of the meth labs and drug factories are located in the southwest of the country. It is estimated that the production of crystal methamphetamine will soon outweigh the production of heroin (Secunder Kermani 2021).

The Taliban does not want to prohibit the drug trade in a war-torn and impoverished country. The Taliban state that they will not ban drug production because Afghan people are starving and they do not have alternative sources of income. Many farmers and families depend on opium production to survive. For years poor farmers have relied on poppy cultivation to provide for their families. Now as Afghanistan's economy collapses without international support and water levels continue to drop, many see it as the safest crop to grow. Afghans justify their illicit drug trade by saying that wheat production is not a profitable business and does not bring any benefits for them, whereas opium production is a very lucrative activity.

Over the last decades, drug production has become the principal source of employment in Afghanistan and hundreds of thousands of people are employed in this business. Opium farming provides hundreds of thousands of full-time jobs every year. In 2017 it was estimated that poppy cultivation provided up to 590.000 full-time jobs (United Nations Office on Drugs and Crime 2017). Opium is so entrenched in the economy that even if it were possible to completely get rid of it, spillover effects on the local population would be disastrous. It would generate great privation, malnutrition, and huge political instability. When the Taliban first came to power in the 1990s they tried to ban opium cultivation but all their efforts ultimately failed because of the fierce opposition from the Afghan population. Then, the Taliban realized that trying to suppress opium production was unsustainable and therefore, allowed cultivation to proceed. They began to impose a tax on opium cultivation and benefited directly from drug production. Since 1996 the Taliban has been taxing opium production. Taliban got around the religious contradiction of opium production by prohibiting and punishing its

use within the country, and allowing its export abroad because selling the drug to infidels was viewed as another form of Jihad.

Since retaking power in 2020, the Taliban have publicly stated that they would ban the production and trade of drugs and would not turn Afghanistan into a narco-state (France 24 2021). But similar to their pledges to respect human rights and press freedoms, there is a general distrust in the Taliban to follow through. The Taliban is unlikely to ban opium production in Afghanistan. In reality, drug production has not decreased, on the contrary, the new regime has considerably increased opium and heroin production. Many experts believe that drug production is going to explode even more as opium prices continue to rise. Opium prices have more than tripled since the Taliban takeover. Uncertainty over opium farming is driving up the demand and the prices.

Afghanistan's opium trade keeps booming and as the international community has decided to isolate a new regime, the representatives of it have more motivation to increase opium and heroin production. According to the UN estimates for decades, the Taliban relied on opium as a source of half its revenue (Congressional Research Service 2021). In the past opium production played a minor role in Afghanistan's agriculture, especially when compared with neighboring countries like Iran. But starting with the Soviet invasion of 1980 armed groups ravaged Afghanistan's countryside, destabilizing its rural economy. This instability is part of what made the profitable opium trade more attractive to struggling farmers and made the poppy plant an integral part of the rural economy. When the Mujahedeen groups were fighting against the Soviet Union, they relied on opium as a source of income to fund their operations and purchase weapons. These Mujahedeen groups encouraged and motivated Afghan farmers to grow poppy plants. When the Taliban took power in 1996, they actively permitted the opium trade to keep the support of farmers and smugglers. As a result, drug trade and business boomed during the 1990s. In 1998 Afghanistan became the largest producer of opium in the world. But two years later, the Taliban decided to ban opium to obtain international legitimacy and recognition. Initially, they managed to reduce drug production drastically. According to UN estimates, the Taliban's prohibition resulted in a 90% reduction in opium production between 2000 and 2001 (The Economist 2021). The move temporarily cut the global supply of heroin by two-thirds. Poppy farmers were dissatisfied because they suffered great losses and therefore, began to rebel against the Taliban. The Taliban was forced to cede and decided to lift the ban before the USA invaded Afghanistan. But the political damage was already done. Support for the Taliban had diminished considerably, especially in the rural population. After the US invaded Afghanistan in 2001 and destroyed the Taliban regime, drug production exploded and returned to its previous heights.

The most counternarcotics measures adopted by the USA after the invasion of Afghanistan did not bring any results: Initially, the US government spared no effort to

destroy opium production and drug trade in Afghanistan. Combating the opium and drug trade became a top priority of the USA in Afghanistan. The first elected president of Afghanistan, Hamid Karzai was convinced that the struggle against narco-terrorism, drug trade, and opium production was essential for Afghanistan's survival as a state. The USA declared war on drugs and spent 8.6 billion dollars between 2002 and 2017 on counternarcotics efforts (Special Inspector General for Afghanistan Reconstruction 2018). The USA also paid Afghan farmers to grow crops, like wheat instead of poppies. Americans tried to help Afghan farmers to find alternative crops. But these alternative crops were much less profitable for poor farmers. Because of the widespread economic hardship and poverty, they preferred to cultivate poppy plants instead of wheat. Waging a war against drugs inflicted a lot of harm on poppy farmers and undermined support for the US-aligned government in Kabul. The Kabul government was only able to eliminate opium production in the regions it controlled. But there was still high demand for the drug from the global black market. As a result, the price of opium shot up, making drug production even more attractive to farmers who lived in regions outside Kabul's control. Corruption was widespread in Afghanistan and even government officials were involved in the drug trade. The Afghan government was run by smugglers, irresponsible people, and the mafia. For this reason, Karzai's efforts to eliminate drug production failed and the opium trade persisted, impacting not just Afghanistan, but its neighboring countries. The neighboring countries still fear that political and economic instability in Afghanistan will exacerbate the narcotics problem. Another problem that Afghanistan is facing is drug addiction. The number of drug addicts is growing constantly in this backward and impoverished country. Nearly 11% of the population of Afghanistan consume drugs (France 24 2021b). Many young people die because of the widespread consumption of drugs. Only a tiny number of those who are dependent on drugs receive the treatment or rehabilitation they need. There are not enough rehabilitation centers for drug addicts in the country. Because of the economic crisis, rehabilitation clinics are running out of medicine.

According to the US report the Taliban derives as much as 60% of its income from illegal drug trade and production (Culbertson 2021). Opium has been a significant source of income for the Taliban for many years. The Taliban are known for their ultra-strict interpretation of Islam and harsh legal punishments, but at the same time, they are one of the biggest players of Afghanistan's illegal drug trade. The Taliban faces a major threat from the Islamic State-Khorasan, which is a local branch of ISIS in Afghanistan. The Islamic State-Khorasan is vehemently opposed to drug production and trade because it is viewed as an anti-Islamic practice. The representatives of the Islamic State-Khorasan do not agree on many issues with the leaders of the Taliban and accuse them of supporting drug trade and production. The Islamic State-Khorasan views the Taliban as a drug cartel and narco-terrorist organization that violates Islamic rules and principles. This is the reason why the Islamic State-Khorasan views the Taliban as its




enemy. The Islamic State-Khorasan has carried out numerous deadly terrorist attacks in Afghanistan and there is a danger that conflict may erupt soon between this organization and the Taliban over the issue of the drug trade and opium production.

## CONCLUSION

Recent political events in Afghanistan demonstrated that the Taliban has not changed at all and still rules the country with repressive methods. The Taliban leaders have failed to keep their promises to the international community and they continue to discriminate against women, ethnic and religious minorities as they did in the 1990s. Women still are treated as second-rate citizens and are excluded from all spheres of public life. They are denied the right to education and employment. Religious and ethnic minorities also face discrimination and various terrorist groups sometimes carry out deadly attacks against them.

The research revealed that the drug mafia has a free run in Afghanistan. The Taliban may have promised to ban opium cultivation, but they have failed. The drug production and narcotics trade remain a substantial source of income for a new regime.

The Taliban is actively involved in the production and distribution of drugs. Their warlords benefit from the narcotics trade. The Taliban has transformed Afghanistan into a narco-state. The consumption and production of drugs have increased considerably since the Taliban's takeover of Afghanistan. There is a danger that conflict may erupt soon between the Taliban and Islamic State-Khorasan over the issue of drugs.

The Taliban regime poses a serious threat to international peace and security. Neighboring countries of Afghanistan are afraid that the Taliban regime because of the international isolation and sanctions could provide support to various terrorist organizations that are operating in the region. The international community must take special measures to prevent Afghanistan from becoming a hotbed of terrorism and extremism again. When the Taliban came to power in 1996, they provided a 'safe haven' for al-Qaeda and protected dangerous terrorists. The same scenario may be repeated now, twenty years later, and Afghanistan will become a safe base for terrorists again. Therefore, the international community should not turn a blind eye to the events unfolding in Afghanistan and should act to prevent the spread of terrorism in this isolated country. 



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# THE CHALLENGES OF PUBLIC ADMINISTRATION REFORMS IN KOSOVO IN THE CONTEXT OF EUROINTEGRATION PROCESS

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**Abstract:** *The phase of transition and the ambition for EU membership has caused the administration and the Government of Kosovo to act differently, allowing it to address a variety of issues that have brought Kosovo's state administration closer to the European family. Kosovo has not remained indifferent to its claim to join the EU, therefore it has undertaken the public administration reform. The results of the reform are being felt slowly. Problems in administration reform over the past few years have been; political influence on public administration recruitment and independent decision-making, size of administration, lack of professionalism, etc. The objectives of this paper consist of a) reflecting the real situation of the public administration reform process, b) analyzing the results of the administration reform over the years, c) analyzing the harmonization of legal acts and the transformation of the public administration of Kosovo with acts legal and EU policies. The research methods used in this study were normative, analytical, and statistical methods. Reforming and modernizing the public sector remains one of Kosovo's most pressing challenges on the road to EU membership.*

**Keywords:** *Reform; Public Administration; Civil Servants; EU; Kosovo*

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## INTRODUCTION

The reform of public administration in Kosovo is "a crucial part of the state-building. With the administrative reform, the government aims to modernize its public administration, to strengthen its capacities and to make it more efficient and accountable" (Batalli 2012, 5). Kosovo has gone towards European integration; it has been proven with the European Commission Report for Kosovo in 2020, where at least Kosovo has fulfilled criteria formally for visa liberalization for free travel in Europe.

The state administration of Kosovo faces a series of challenges that are necessarily related to the ability of this state apparatus to fulfill its obligations towards the citizens of Kosovo and to managed realize the reform process in public administration. As one of the main pillars for the implementation of government policies and the realization of state goals, the public administration must go through the reform process to improve the provision of public services and to be in line with a higher standard fulfillment of duties and obligations provided by laws, regulations and other strategic documents that regulate the work of civil servants in public administration. Among the most common problems that public administration faces in transition societies are those related to communication with citizens and transparency. The state administration of Kosovo faces these problems as well as many others. Kosovo's state administration is relatively new, and it still has to go through various reform processes to reach European standards for the functioning of the state administration. Given that EU membership is one of the main strategic goals of the Republic of Kosovo, it is anticipated that the current challenges that characterize public administration need to be addressed.

## CHALLENGES AND PROBLEMS OF THE STATE ADMINISTRATION IN KOSOVO

The state administration in Kosovo is determined by a large number of employees. Data from 2016 show that there is a large number of employees in the agencies of the Assembly, the Government, as well as across different ministries. According to data, this level of government employed about 31,694 people during 2016. Most civil servants at this level are employed in various government agencies. In March 2017, approximately 80% of civil servants, respectively 14,888 employees out of 18,000, have their positions harmonized with the job catalog and are classified according to regulation no. 05/12, which was approved in early 2015. The percentage of civil servants as a percentage of total employment in the public sector has decreased slightly: from 23.9% in 2014 to about 20% in 2016. According to GAP, the total number of public and civil servants is 91,281, respectively 47,555 at the central level and 43,726 at the local level (GAP 2015).

At the level of the European Union (EU), despite the state's internal regulation, only Sweden and (formerly) the United Kingdom has a larger number of ministries than Kosovo, respectively Sweden 23 and the United Kingdom 24 government departments. At this level, Denmark with 5.6 million inhabitants has the same number of ministries as Kosovo. At the regional level, only Albania has the same number of ministries as Kosovo, while Bosnia and Herzegovina (at the Federation level) has 16 ministries, Macedonia 14 ministries and 7 ministers without portfolio, Montenegro 16 ministries, and finally Serbia 16 ministries and 2 ministers without portfolio (GAP 2015).

A study conducted by GAP found that many divisions are consisting of two employees, one division head, and one employee in that division. Even worse, there is separation with an employee who due to the existence of separation is the head of the division. In addition to this negative feature, the distribution of civil servants across departments, divisions, and agencies is not commensurate with the tasks that a department, division, or agency has. For example, the Department of Public Administration Reform, as a key structure in the Ministry of Public Administration (MPA) and the entire public administration, has seven employees, while the Agency for Information Society has 58 employees. Another challenge of the civil service in Kosovo is to increase diversity. There seems to be a growing consensus that pursuing diversity can enhance key public service values, such as honesty, transparency, and impartiality. By integrating minority groups, the hope is that government can impose policy effectiveness, social cohesion and efficiency will be achieved. According to data from 2016, most senior management positions in ministries and executive agencies are held by Albanian men.<sup>1</sup> In Kosovo, the public sector continues to be more attractive for employment, because in the public sector are higher salaries than in the private sector, and employment in the public sector is more secure and attracts further possibilities through connections. Based on the Balkan Policy Research Group study (2020), until 2019 in Kosovo, employment in the public sector continue to be high (p. 64) (Figure 1).

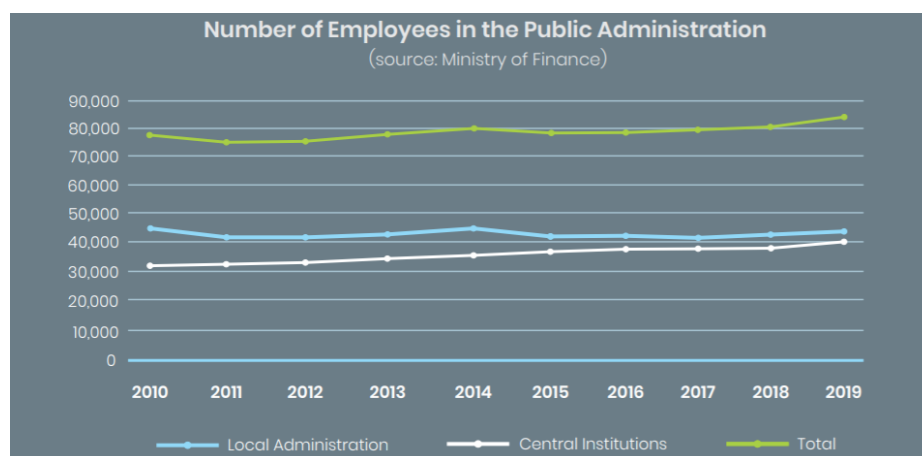


Figure 1: Number of Employees in the Public Administration (Source: Ministry of Finance/Kosovo 2017)

Kosovo has public administration with enormous members and this causes the budget to shrink. In that sense, Kosovo needs:

an efficient public administration for social developments, economic growth, and poverty reduction. The Government of Kosovo remains committed to supporting maximum modernization of the administration.

<sup>1</sup> Open Data Portal, Republic of Kosovo. Retrieved from: <http://opendata.rks-gov.net/> (11 September 2019).



The fulfillment of such objectives is done through the basic dimensions of electronic governance such as e-services, e-democracy, e-management, and e-trade (Batalli 2012, 24).

Based on the last European Commission's Report for Kosovo (2020), instances of political influence on recruitments to senior civil service positions and non-merit-based recruitments continue to undermine citizens' trust in the public administration. *Ad hoc* policy-making, in cases influenced by special interests, remained an obstacle for inclusive and evidence-based policy-making. These issues were among the central concerns expressed by citizens during the campaign for the legislative elections in October 2019. It is of utmost importance that Kosovo institutions ensure integrity and transparency in recruitments in the public service (European Commission's Report 2020 for Kosovo, 14).

## THE INSTITUTE OF ADMINISTRATIVE SILENCE

Doctrinal approaches to administrative silence will often be underpinned by assumptions about whether the wider public interest is better served by prioritizing the interests of the administration or those of the individual (Gordon 2008, 39-35). In administrative law, the administrative silence is a special institution, in which, with the request of a party to the administrative matter, a competent body has not issued its decision and does not hand over the decision to the party within a legal timeframe during which a party has the right of appeal if the request is rejected. But the silence is final and the party may seek judicial protection from a competent court if the body of the first instance remains silent and where the party has no right of appeal. Administrative silence is not a form of ruling on a case but a legal invention under which it is clear that the competent administrative body has denied the claim of the citizen, without resolving it within the time provided by the law (Batalli 2017, 140). Administrative silence is, in fact, the legal fiction of administrative law, a situation caused legally. According to it, the application filed with public administration bodies, outstanding in a certain period, is considered as denied or accepted. There is an administrative silence when the public administration organ is silent *de facto*, i.e. does not adopt a relevant decision within the legal time that has been set, while it is expected to do so, and the law has anticipated that such a *de facto* silence means a positive or negative response, equating it with a positive or negative decision, as per the approved regulation (Çani 2014, 2).

## ADMINISTRATIVE SILENCE IN THE PAST AND PRESENT

Historically, administrative silence was considered a refusal. However, on 12 December 2006, the Parliament and the Council of European Union brought about the directive 2006/123/EC in which, in the declaration of the reasons of this directive, it is explained that one underlying difficulty for a party dealing with public administration:

(...) are complexity, length and legal insecurity of the administrative proceeding". For this reason, by following the example of particular modernism and the initiatives of the good administrative practice undertaken by the Committee and the national level, the principles of administrative simplifications must be defined, among others (...) introduction of the authorization principle implied by the competent authorities after a certain period has passed (SIGMA 2012).

For these reasons, for a modern administration and a more simplified procedure to the party, the European Parliament and the Council with their directive are determined for the positive character of the administrative silence.<sup>2</sup>

The old Law of the Administrative Procedure of Kosovo 2007 (abolished in 2016) foresaw the administrative silence in article 130, paragraph 2: "In the case of non-action by the administration (non-issuance of the act and the complete silence), the administrative appeal is made within 60 days from the day of submission of the request for initiation of the administrative proceeding".

Administrative appeal against the administrative silence within the time limit is made as a result of the impact of the judicial security principle which aims at the defense of the legal relations created and their complete non-encroachment (Baraliu and Stavileci 2014, 326). According to the old Law on Administrative Procedure 2007, the parties have been granted the right to file a complaint in the court against the administrative silence following the Law on Civil Procedure in power (Law on Administrative Procedure, article 131, paragraph 2, 2007). In the old Administrative Procedure Law of Kosovo (APL), administrative silence had a negative (denying) character, whereas by the new Law No. 05/L -031 on the General Administrative Procedure approved on the 21 June 2016 which entered into force in 2017, the

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<sup>2</sup>The text of the article 13 paragraphs 3 and 4 of the Directive says as follows: "3. the authorization procedures and formalities will assure applicants that their application will be processed as soon as possible and, in any case, within a reasonable time frame which was set and published in advance. The time period will commence only when the whole documentation has been submitted. When this is justified by the complexity of the issue, the time period may be extended only once by the competent authority for a limited time frame. Its extension and duration will be justified accordingly and the applicant will be notified before the deadline of the original period. 4. Failure to respond within the fixed time or extended time frame in accordance with the paragraph 3, the authorization will be considered as given. However, there may be other modalities, where justified by the reasons of touching the public interest including the legitimate interest of the third parties".

administrative silence institute took on positive (approving) character as stipulated by the article 100, paragraph 1 of Kosovo APL No. 05/L-031:

If the party has requested for the issuance of a written administrative act and the public organ does not inform the party on the administrative act within the initial time, it does not inform the party on the extension of the deadline or the act within the extended deadline, according to the article 98 respectively 99 of this Law, the request made by the party will be considered as accepted entirely and the administrative act requested by the party will be approved.

On the other hand, there is an ambiguity in article 133, paragraphs 1-4, as contradictory to the article 100, paragraph 1 (contradictory to the article 100) which puts forward that:

The complaint against the administrative silence is processed directly by the supreme organ. The supreme organ immediately asks the competent organ to present, without any delay, the whole case file and a written report on the reasons for the administrative silence. Initially, the supreme organ will review if the complaint is valid and, only if the complaint is accepted, it will review the request of the party, as it has been submitted to the competent organ. The supreme organ will decide on the request based on the case file or if it is necessary to conduct an additional administrative review or it will order the competent organ to conduct administrative reviews and notify it of the results of the review. Unless otherwise set forth by law, the supreme organ will resolve the issue by one of its final acts.

The Republic of Kosovo has delayed the adoption of the aforesaid EU Directive related to the administrative silence in its internal administrative legislation. After the approval of the new Law on the aforesaid general administrative procedure, the new commentary of law as an obligatory part of the law draft has not yet been realized, consequently, the lawmaker is obliged to clarify the controversy between article 100 and 133 through authentic interpretation. It is thought that article 133 shall specify the exemplary cases (it must have exclusive character) on which administrative acts or circumstances the supreme organ will decide on by its final act regarding the complaint against the administrative silence, so that this controversy of the legal provisions or the collision on the new law on the general administrative procedure of Kosovo (Law on the General Administrative Procedure, article 100 and 133, 2016b) is solved.

## THE DEGREE OF PROFESSIONALISM OF THE OFFICIALS WORKING IN THE STATE BODIES

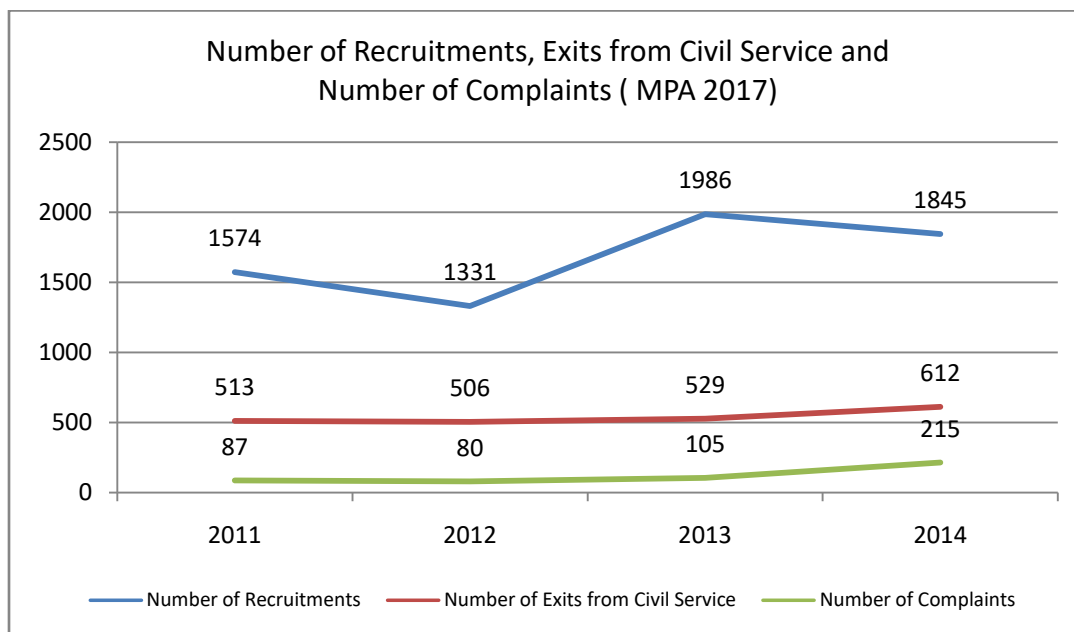
The civil service system in Kosovo has institutionalized the EU principles of administration in breadth and depth. Sustainability questions will also be addressed in each section. Although professionalism in public administration is a key EU requirement, Kosovo still has problems with appointments, promotions, training of civil servants, equal representation, and review of complaints filed by civil servants. One of the requirements that SIGMA assesses is whether the scope of public service is clearly defined and implemented in practice to establish policies and legal frameworks for professional public service. Concerning this requirement, civil service policies and legal frameworks have been established. Also, the 'Strategy for Modernization of Public Administration 2015-2020' (SMAP) has been adopted, together with an action plan (SIGMA 2017).

There are 7 principles closely related to the professionalism of the civil service of the state administration for which SIGMA reports. The first principle is that the scope of the public service is appropriate, clearly defined, and implemented in practice. The European Commission and SIGMA pay special attention to the adoption and implementation of civil service laws. Kosovo was the last country in the Western Balkans to adopt a Civil Service Law in the spring of 2010. According to the SIGMA report for 2017, the horizontal scope of the Civil Service Law is well defined and includes ministries, presidential administration, the Prime Minister and Assembly, executive agencies, regulatory bodies, and independent institutions and local governments (SIGMA 2017).

The second principle requires that policies and legal frameworks for a professional and coherent public service be established and implemented in practice. It also requires that the institutional structure enable sustainable and effective human resource management practices throughout the public service. SIGMA argues that the overlap in the mandates of some laws and bylaws leads to confusion in some cases. For example, job classification and some aspects of career development in the civil service are regulated by the Civil Service Law and the Law on Salaries of Civil Servants, as well as by the partial overlap of bylaws in these same areas (SIGMA 2017). Public service professionalism is ensured by good management standards and human resource management practices. The values of the indicators that assess Kosovo's performance under this key requirement are presented below.

The third principle relates to public service professionalism and in particular to human resource management good practices related to recruitment. Compared to neighboring Balkan countries in terms of attitudes towards merit promotion, Kosovo has one of the lowest scores out of 7 countries (Meyer-Sahling 2012, 49).

In 2016, the Independent Monitoring Commission (IMC) canceled 144 out of the 248 (58%) appointments to senior civil service positions he observed during his term in office. These cancellations were due to legal and procedural violations. Most were related to deadlines, publication of notices with different criteria for similar positions, selection committees, and written and oral tests. The number of IMC complaints regarding recruitment doubled between 2013 and 2016 (105 complaints were filed in 2013 and 205 in 2016). The average number of applicants for vacancies is adequate, although data on applicants who meet the requirements and are considered eligible are not available. Internal recruitment, however, is much less competitive (2-3 applicants) than external ones (22-29 applicants), regardless of category (SIGMA 2017). Figure 2 shows the trend of recruitments, exits, and complaints during the years 2011-2014 where we saw an increase in trend.



**Figure 2: Number of Recruitments, Exits from CS and Number of Complaints (Source: Ministry of Public Administration/Kosovo 2017)**

The research shows that compared to neighboring Western Balkan countries, the performance review mechanism is implemented less consistently and (relatively) less in Kosovo and Montenegro. The review is conducted annually by the supervisor and is mainly related to the training needs analysis although in practice it is also used to inform salary reward decisions and career advancement (Meyer-Sahling 2012). The legislation sets out clear reasons for individual dismissals from the civil service. Dismissal is possible through a disciplinary measure, due to violation of the code of conduct or

other regulations, or due to criminal charges. After two consecutive assessments of poor performance, dismissals can be initiated through a disciplinary procedure.

Finally, civil servants can also be dismissed during restructuring processes, but the legislation does not provide detailed criteria for dismissals in cases of restructuring, closure, or amalgamation of public institutions. Dismissals due to disciplinary proceedings decreased significantly between 2015 and 2016, from 52 to 10, and termination of employment due to dismissal of positions remained very low. However, the number of complaints against the IMC against dismissal proceedings increased by 24% between 2013 and 2016 (SIGMA 2017). Taking into account the factors analyzed above, the value for the indicator 'Meritocracy and effectiveness of recruitment of civil servants' is 3. The value for the indicator 'Termination based on employment merit and reduction of civil servants' is also 3 (SIGMA 2017).

Figure 3 shows attitudes towards non-discretionary dismissal in the region and how Kosovo is compared to neighboring countries. Kosovo has the lowest result among the 7 countries and a result that is below average. This is in line with the previous results presented above which show that Kosovo has high levels of free discharge. Therefore, civil servants are expected to have negative attitudes towards non-discretionary dismissal.

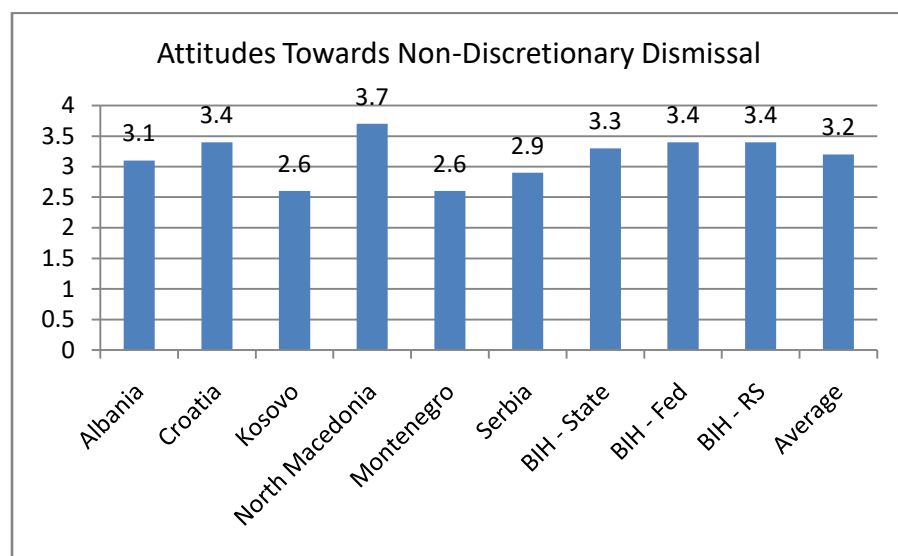


Figure 3: Attitudes towards Non-Discretionary Dismissal (Source: Meyer-Sahling 2012)

The open competition systems and merit recruitment are essential to conducting civil service management that embodies the principles of openness, fairness, professional competence, and political neutrality. Merit recruitment is supposed to improve the work of the public administration. Compared to other countries in the region, Kosovo's recruitment system is considered less capable of delivering merit-

based employment results. A study conducted by Meyer-Sahling in 2012, revealed discrepancies in interviewing internship and agency practices, as well as their ability to examine applicants (Meyer-Sahling 2012).

The fourth principle of SIGMA requires that direct or indirect political influence in senior management positions be prevented. The review of the institutions and agencies of the Assembly and the central bodies of the 2016 Ministry of Public Administration has identified cases in which senior management functions are exercised by political appointees in some agencies reporting to the Assembly and also in some agencies reporting to the Government. The regulations on selection procedures for senior management positions do not provide sufficient safeguards to prevent potential political influence. A Senior Management Council established not in the Civil Service Law (CSL) but in secondary legislation, is responsible for directing and overseeing the appointment system. The functions of the Council include the formulation of job descriptions, as well as ensuring the appropriateness of recruitment methods. Despite its competencies, technical support for the Council is not provided by the MPA, but by the Secretariat of Government Coordination in the Office of the Prime Minister, which has no technical expertise in the civil service and HRM (SIGMA 2017).

The fifth principle requires that the remuneration system of public servants is based on job classification and that it be fair and transparent. The current salary structure in the civil service is still that set out in a UNMIK guideline issued in 2000. In the absence of true job classification, however, many institutions have allocated job coefficients using homogeneous criteria based on responsibility and competence. Therefore there is no guarantee of equal pay for equal work for basic salaries/positions. Supplements and compensations in some cases have been allocated without following clear criteria, although the implementation of uniform control in this regard is improving. Salary tables are not publicly known.

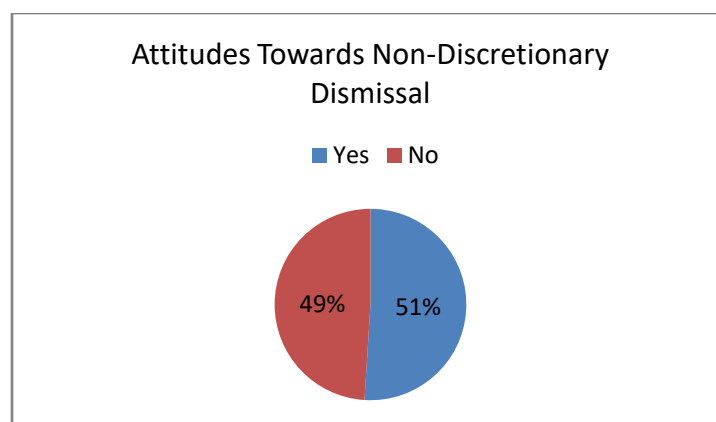
The sixth principle requires ensuring the professional development of public servants. This includes regular training, fair performance appraisal, and mobility and promotion based on objective and transparent criteria and merit. Although the European Commission Report on Kosovo assesses the professional development of civil servants, it also states that the Kosovo Institute for Public Administration has a very limited budget for staff training in all institutions (SIGMA 2017).

In the European Commission Report on Kosovo, in the part of public administration reforms, the issue of performance evaluations is also discussed. According to this Report, performance appraisals have increased in use, but their impact on career advancement in civil servants continues to be lower, or even more difficult to determine.

The Government of Kosovo adopted the Civil Servants Training Strategy 2016-2020 in May 2016. Despite this, KIPA's (Kosovo Institute for Public Administration) lack of capacity to provide ongoing training remains a weakness that has not been

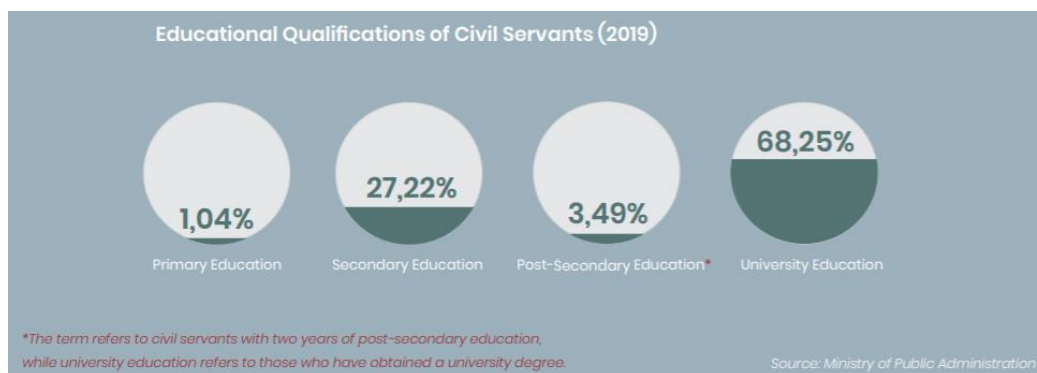


addressed by the approved 'Training Strategy' (SIGMA 2017). Figure 4 shows that there are still a large number of civil servants who have not participated in any activity organized by KIPA. 49% of civil servants stated that they did not attend any training. Despite this, compared to other countries in the Western Balkans, Kosovo has similarly positive attitudes towards regular training. Kosovo's result is the same as the average (Meyer-Sahling 2012).



**Figure 4: Did you participate in the Training Organized by the Kosovo Institute of Public Administration Earlier? (Source: Ministry of Public Administration 2015)**

Out of 5 types of training offered in 2016, training in 'European Union' offered the most courses (26) while training in 'Information Technology' offered the smallest number of courses (8). The training in 'Administration and Legislation' had the highest number of participants for the number of courses offered while 'European Union' and 'Information Technology' had the lowest. However, Kosovo may feel good about the education of civil servants (Figure 5). Based on last research studies from the Balkan Policy Research Group in Kosovo (2020), until 2019, 18.903 civil servants were with high education or 68 percent.



**Figure 5: Educational Qualifications of Civil Servants in 2019 (Source: Ministry of Public Administration 2019)**

## THE LEVEL OF POLITICIZATION OF STATE ADMINISTRATION SERVICES

According to Van der Meer *et al.* (2007), the politicization of the civil service system refers to the number of political appointments, political conduct, and political sensitivities of civil servants (pp. 34-39). The relationship between professionalism and politicization is the opposite. High politicization of the civil service threatens the professional status of civil servants (Rouban 2003). Therefore, it can be argued that the difficulties of improving the professionalism of the civil service are closely related to the politicized character of the public administration.

The politicization occurs through two ways: policymaking and the appointment of civil servants often based on party criteria and lack of professional criteria (increasing the role of politicians in the civil service) or through reorganizing the role of civil servants as voters and citizens (increasing their role as political agents) (Rouban 2003).

Considering the case of Kosovo, the most widespread problems are related to the increasing role of politicians in the civil service. In particular, the two main issues facing the public administration in Kosovo that relate to the politicization of the civil service are political discretion and the lack of standards for appointments. Much of the discretion exercised in employment/appointment is inherited from the communist regime (Rouban 2003). The recruitment process in Kosovo remains decentralized and discretionary. Even with the new Civil Service Law, great freedom/discretion will remain present. In particular, the new law led to the creation of new mechanisms that create a high degree of discretion for the appointment and dismissal of general secretaries of ministries and chief executive officers of executive agencies (Doli 2012).


In Kosovo, the highest position in the ministry is that of a secretary-general. Permanent secretaries are formally appointed by a commission comprising the Prime Minister, ministers, senior officials, and civil society representatives. In practice, however, this Commission meets only once in a few years, which means that the permanent secretaries were appointed simply based on temporary contracts. This is just one example of the discretion exercised (Meyer-Sahling 2012). In addition to political discretion in employment, the Government exercises a high discretion in dismissing workers. The Law stipulates that civil servants can be dismissed only due to poor performance of duty or violation of the code of conduct. A disciplinary commission set up by the secretary-general of the relevant ministry assesses the violation of the code of conduct and the violation of the obligations of the civil servant. Civil servants have the right to appeal decisions but still, the procedure allows discretion in the hands of the secretaries-general, who are simply politically appointed. Similar levels of discretion are exercised in the case of senior civil servants (Doli 2012).

## CONCLUSION

Based on this research, it can be concluded that the state administration in general faces problems in the civil service, organization, modernization, and accountability. The findings show that the civil service has a high number of employees, is inefficient, lacks training, and is not representative in terms of minority representation. Furthermore, in terms of organization and modernization of public administration, despite some developments, the challenges remain obvious, especially in terms of providing services efficiently and involving the opinions of citizens. Ultimately, accountability remains the biggest problem. The state administration has problems with lack of transparency and this is mostly due to high levels of corruption, nepotism, politicization, conflict of interest, and discretion in employment/appointments.

The lack of sufficient control of officials and agencies/actors of the state administration as well as the inefficiency of the judicial system only worsen the situation and impair the normal functioning of the state. Continuous professional training and development of state administration staff is crucial in individual performance, personal but also professional development, it also guarantees the success of state administration in general.

Also, a concern remains the lack of a law on the Government which is part of the high authorities of the state administration, although this law has been drafted and has not yet been approved by Parliament. The issuance of this law would more precisely regulate the organization of the Government, especially when it comes to the establishment and dissolution of ministries which since the mandate of the Prime Minister by Parliament he can at any time establish or dismiss certain ministries without having to be approved by Parliament.

Kosovo is harmonizing the organization, structure, and operations of the administration with EU standards and the social and economic changes that are taking place in Kosovo. It is worth mentioning that during this process special attention should be paid to the context of Kosovo, and specific needs related to the specifics of its administration, and not necessarily to adapt identical measures as in other countries, without sufficiently adapting to the circumstances and the context in which Kosovo finds itself as a new state. Kosovo has managed to sign the Stabilization and Association Agreement with the EU, which is considered the greatest achievement on the road to EU integration, although the results of the public administration reform are dim. This is evidenced by the progress reports for Kosovo in recent years, where Kosovo is criticized for political influence in the functioning of public administration, corruption, nepotism, overload of administration, simplification of administrative procedures, etc. 

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# TOWARDS GRADUAL INTEGRATION OF THE WESTERN BALKANS INTO THE EUROPEAN UNION: THE CASE OF SERBIA

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**Abstract:** *This paper examined whether the revised enlargement methodology represented another step in the direction of gradual EU membership of the Western Balkans. The research problem was based on considerations that the EU enlargement domain has for years been characterized by political stagnation. The research aimed to show that a differentiated accession approach might have been beneficial for Serbia, as a front-runner membership candidate. In terms of methods, the author analyzes the concepts and the applicability of the 'three-tiered accession' and 'staged accession', having in mind the recently altered enlargement methodology. The author argues that the gradual integration would have been beneficial for two reasons: 1) validating the candidates' already achieved progress, offering tangible incentives, and potentially preventing the democratic backsliding; 2) taking the pre-scheduled accession dates off the table. Considering that the EU is unlikely to expand further, the author concludes that the gradual membership concept might apply solely to the WB, while also reassuring the Member States regarding the primacy of individual merits and excluding the speedy accessions proposals.*

**Keywords:** *Gradual Accession; Western Balkans, EU; Observer; New Enlargement Methodology; Credibility*

## INTRODUCTION

The enlargement domain has currently been embedded into the geopolitical priority 'A stronger Europe in the world', alongside international partnerships, trade policy, humanitarian aid, civil protection, etc. (European Commission 2019a). More specifically, 'promoting European interests and values on the global stage' ranks among four foreign-political preferences presented in the European Council's strategic agenda; however, the enlargement-related-section solely states that the "European perspective for the European states able and willing to join would be upheld" (European Council 2019). Apart from the 'borrowed' wording of article 49 of the Treaty of the European Union, nothing more regarding the enlargement domain is mentioned in that strategic document (EUR-Lex 2016).



While the Commission has established the 'Agenda 2030' for uttermost-important domains like climate, energy, and the Green Deal, no dates mention the Western Balkans (WB) membership (European Commission 2019b). Moreover, petitions to include new members by that same year have been dismissed during the 2021 EU-WB summit in Brdo, when such Slovenian proposal has been labeled "unrealistic" (Fleming and Foy 2021). Due to diverging views among Member States, that document included a single mention of the term 'enlargement' and no mention of either 'accession' or 'membership' (Brdo Declaration 2021). The disuse of the abovementioned terms and unwillingness to specify even an indicative accession period for long-ago-recognized EU candidates has added to the concerns that EU membership is unattainable. Alongside the traditional disinclination of WB authorities towards profound democratic reforms (due to high compliance costs), the aforementioned wording also illustrates the absence of strategic willingness to grant full EU membership to these candidates anytime soon (Freyburg and Richter 2010, 264). Such restrained EU stance further undermines the enlargement policy credibility and overrides an earlier strategic document that cautiously allowed for a 'potential readiness for membership' of Montenegro and Serbia by 2025 (European Commission 2018).<sup>1</sup>

In its current form, the enlargement policy is ill-equipped to incite deeper integration with WB, although its revised methodology has opened door to a differentiated approach. Despite not introducing any new instruments, the altered approach tackles the impaired credibility and reduced effectiveness of the conditionality instrument and entire policy (Kovačević 2020, 143; Petrović and Vučković 2021, 305). Likewise, it also hints at the possibility for selective or gradual participation - 'accelerated integration and phasing-in' to EU policies and funds in a progressive fashion, on individual merits (European Commission 2020a).

Considering the abovementioned, we question whether the revised enlargement methodology represents another step in the direction of gradual EU membership of the Western Balkans, arguing that such logic might provide an adequate transition period until the candidates meet full membership conditions (if/when they do so). While the methodological revisions largely intended to provide a greater influence to the Member States, they also underlined the possibilities of differentiation through gradual integration into different domains. The author finds these developments beneficial for reinvigorating the stagnant EU enlargement policy, while also reassuring the Member States regarding the primacy of individual merits, and taking the scheduled admissions proposals off the table.

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<sup>1</sup>Despite ranking among the EU front-runners, a staggering 44% of Serbian and 34% of Macedonian poll-respondents consider EU membership unachievable (EWB 2021a).

## GRADUAL INTEGRATION BETWEEN THEORY AND PRACTICE

The EU enlargement policy has been undergoing a crisis for years (Kmezić 2014, 6). Schimmelfennig (2018, 974) while referring to other authors, considers various EU crises inherent to integration processes and their functioning, relating them to phenomena like path-dependence and institutionalization, which strengthen the transformative course. The very nature of policy and institutional reform is dynamic (Acemoglu and Robinson 2013). Schimmelfennig (2018, 974) reiterates that several determinants foster path dependence and inhibit the actors from distancing from the EU matrix, among them high sunk costs (efforts to adjust policies/institutions) and exit costs (losses incurred by diverging from rules). Although that research examines internal EU crises, we find it applicable when considering the prospects for a gradual/selective integration as a means to overcome the EU enlargement domain's stagnation. Stanković (2021, 150-151) also points to Schimmelfennig's "integration through the crisis", whereby predicaments can be used for reform deepening, provided that there is a supranational capacity/willingness.<sup>2</sup> Why not also consider changes in the crisis-struck enlargement domain?

The 'differentiated reality' has obtained political support since the 2014 European Council when the 'ever closer Union' concept was endorsed through the possibility of varying integration levels for different countries (Koenig 2015, 3). Considering that the evolving nature of European integration also reflects on the enlargement domain, the author finds the differentiated integration concepts useful to draw the WB candidates closer through different speeds or levels. The multi-speed concept has been gaining more prominence, for recognizing the heterogeneity among different countries, allowing them to progress to various integration stages in different paces (Akçay and Turan 2020, 15). In the enlargement domain, those developments might result in more organizational and institutional clarity, contributing to predictability and credibility.

However - why consider anything less than the formally-uncontested full EU membership perspective of the WB? The author of this article finds it necessary due to 1) unsatisfying results of the current enlargement policy; 2) views that any new accession would require EU institutional reform or at least a largely revised enlargement approach (Palmer 2011, 103).

The two mentioned aspects form the background of the faulty EU stabilocracy approach, whereby the preservation of stability has been blended with the promotion of democracy. Smith *et al.* (2021) argue that stabilocratic elements limit the scope of democratic reforms, having in mind their essentially unstable rather than static character; that leads to 'shallow Europeanisation', where transformative activities are

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<sup>2</sup>For instance, the 2008 crisis was used to initiate the two-staged deepening of Economic and Monetary Union until 2025 (Juncker 2015, 20-21).

insufficiently profound (Smith, Marković-Khaze, and Kovačević 2021, 170-171; Boerzel 2011, 8). Apart from observations that ‘achieving stability through democratization is inherently contradictory’ (which is close to Schimmelfennig observations), another problem is the likelihood of failures and non-guaranteed or incomplete success (Smith, Marković, Khaze, and Kovačević 2021, 170-171; Schimmelfennig, 973-975). Additionally, apart from the sunk costs, stabilocracy, and superficial Europeanization, veto players have an important role in the EU accession domain.<sup>3</sup> Apart from domestic disinclination to conduct transformative reforms due to high sunk costs, various EU Member States are also skeptical regarding the WB membership prospects.

The gradual accession concept has gained more prominence in recent years. M. Kovačević refers to considerations of Pierre Mirel, who suggested a “three-tiered accession process” (Kovačević 2020, 155-156). The initial stage would envisage a greater EU oversight and cooperation in domains of rule of law and financial resources with WB governmental - and informal institutions, and their inclusion in “annual membership conferences” (Mirel 2019, 7). These gatherings resemble the annual ‘European conferences’ during the Eastern enlargement rounds, which included candidate countries (and EEA participants Switzerland, Iceland, and Norway) demonstrating a strategic prioritization of the enlargement domain. However, the fact that the EU has recently organized several EU-Western Balkan summits (Sofia 2018; Zagreb 2020; Brdo near Kranj 2021) while pledging to regularly organize them (already in 2022), is encouraging (European Council 2021).<sup>4</sup>

Mirel’s second tier (the first membership stage) resembles the EEA status, with complete alignment in the internal market domain and significant transformative track record across other areas, including limited participation in Council policies in domains where all standards have been met, accompanied by access to the majority of funds (Mirel 2019, 7-8). The gradual progression towards complete access to EU funds would be dictated by approximation in all remaining domains; there would be no fixed dates and the process would take as much as needed (Mirel 2019, 7-8). This transitional period would represent a good platform for gradual-but-progressive involvement in ever more aspects of EU political and economic affairs. It would also be merit-based, allowing progress primarily based on a satisfactory track record, following the revised methodology. However, this concept also raises additional questions: can there be progress without any target dates, at least indicative ones? Likewise, having in mind the EU’s tendency to blend in economic, political, and other criteria within conditionality

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<sup>3</sup>Veto actors are understood as those with potential to prevent some political/other decision-making (Bursać 2015, 95).

<sup>4</sup>On a somewhat related note, Western Balkan subjects have been permitted to participate in the strategic Conference on the Future of Europe policy dialogues through partnerships with EU counterparts (EWB 2021b). Considering that and the aforementioned, the first tier appears to be largely applicable in the region.

logic, another question is raised: how to measure the progress adequately, as to provide a more predictable and layered accession process?

Firstly, broadly speaking, the lack of indicative membership dates is damaging. Perhaps it can even be argued that a credible strategy must contain at least some indicative deadlines. Historically, the EU accession prospects represented the primary reward and motivating factor for the costly transformative efforts. Its complete absence is thus not only discouraging but also unjust having in mind the approach during previous enlargement rounds. Still, under the stalemate circumstances, the gradual integration concept might release additional space to both sides to deepen their cooperation. Participating in the first membership stage (of trial or provisional character) doesn't incur risks to the EU like conventional membership and allows the Member States to profoundly shape the process. Perhaps there can even be a clause in the Accession Treaty regulating the trial, temporary or limited membership without political privileges, provided that it would be compatible with the *acquis*.

As regards the second aspect - evaluating the progress, we analyze the staged accession proposal to present the state of play and examine prospects for gradual integration, by converting the findings of the 2021 EU progress report for Serbia for chapters/clusters into individual grades. The staged accession concept builds upon the revised EU enlargement methodology which provided for additional differentiation. The altered methodology aims to provide an increased political engagement, deepen fundamental reforms, and bring more dynamics and predictability, more consistent and merit-based conditionality, while also transposing the previously achieved progress (Council of the EU 2020, 3). Further progress is conditioned by advances in fundamentally important aspects like rule of law, fundamental rights, the democratization of institutions, public administration reform, and economic standards; the evaluation is also subject to the overall balance clause, which also foresees sanctions in case of worsening trends or stagnation in abovementioned domains (Council of the EU 2020, 3-10).<sup>5</sup>

## FEASIBILITY OF GRADUAL ACCESSION: THE CASE OF SERBIA

The analysis conducted by Emerson *et al.* (2021) proposed a four-stage procedure - 'staged accession' - that would result in (limited) membership during the third phase, provided that standards had been met (pp. 5-6). Conditions for the initial phase are the functioning association agreement, accepted membership application, and (minimally) moderate ratings for cluster averages, supported by increased funding

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<sup>5</sup>According to Kovačević (2020, 153), already in 2020 the EU started reporting on the balance clause, signaling greater possibility for negative conditioning. We believe that, although the clause isn't new, it represents another tool for sharpening the conditionality principle. It reiterates the possibility to revoke or suspend negotiations in certain aspects, decrease funding to governmental institutions or limit the candidates' participation in EU policies/programs.

(access to 50% of membership resources) and political support to statehood challenges in the WB (Emerson *et al.* 2021, 5-6). Considering the current state of play, the author analyzes the second front-runner candidate - Serbia - to examine whether the staged accession might already apply.<sup>6</sup> Before the adoption of the revised methodology, Serbia has opened 18/35 Chapters in its membership negotiations. Following a two-year stagnation, European Commission in 2021 recommended the formal opening of clusters 3 (Competitiveness and Inclusive Growth) and 4 (Green Agenda and Sustainable Connectivity), apart from the previously opened Chapter 1 (Fundamentals) (European Commission 2021, 3). The current state of play regarding the accession negotiations with Serbia, including the average grades, based on 2021 Progress report findings, are depicted in Table 1.

**Table 1: The State of Play in Serbia's EU Accession Negotiations (Source: Compilation of the author based on EU documents)**

CLUSTER Number*	CHAPTERS	Chapter Grade	Cluster Opened/ Recommended (Y/N)	Cluster Average Grade	General Cluster Average
1.	23 - Judiciary and Fundamental Rights 24 - Justice, Freedom, and Security (etc.) 5 - Public Procurement 18 - Statistics 32 - Financial Control	2 2 3 3 3	Y	2,60	2,97
2.	1 - Free Movement of Goods 2 - Freedom of Movement for Workers 3 - Right of Establishment (etc.) 4 - Free Movement of Capital 6 - Company Law 7 - Intellectual Property Law 8 - Competition Policy 9 - Financial Services 28 - Consumer and Health Protection	3 3 3 3 4 4 3 3 3	N	3,23	
3.	10 - Information Society and Media 16 - Taxation 17 - Economic and Monetary Policy 19 - Social Policy and Employment 20 - Enterprise and Industrial Policy 25 - Science and Research 26 - Education and Culture 29 - Customs Union	3 3 3 3 3 4 4 4	Y	3,37	
4.	14 - Transport Policy 15 - Energy 21 - Trans-European Networks 27 - Environment and Climate Change	4 3 3 2	Y	3,00	

<sup>6</sup>Since Montenegro has been negotiating in all chapters/clusters, the author instead focuses on Serbia.

5.	11 - Agriculture and Rural Development	2	N	2,60	
	12 - Food Safety (etc.)	3			
	13 - Fisheries	3			
	22 - Regional Policy (etc.)	3			
	33 - Financial and Budgetary Provisions	2			
6.	30 - External Relations	3	N	3,00	
	31 - Foreign, Security and Defense Policy	3			

*\*Numbers stand for cluster names: (1) The Fundamentals; (2) Internal Market; (3) Competitiveness and Inclusive Growth; (4) Green Agenda and Sustainable Connectivity; (5) Resources, Agriculture, Cohesion and (6) External Relations.*

*Note: Grades are calculated by converting the 2021 Progress report assessment scale (page 4, footnote 2 of that document). Early-stage equals (1), some level of preparation is equivalent to (2), moderately prepared (3), good level of preparation (4), and well advanced (5). Not part of the clusters: Chapters 34 (Institutions) and Chapter 35 (Other issues/Normalization with Kosovo\*).*

Taking the above-presented results, Serbia seems to meet minimal requirements in clusters 2, 3, 4, and 6 for entering the initial stage, whereas clusters 1 and 5 with a 2.6 average mark might require further advancements. However, note that the first Chapter has already been opened, thus leaving the fifth Chapter (Resources, Agriculture and Cohesion) problematic, provided that the balancing clause is not invoked for Chapter 1. Considering the overall cluster average - 2.97 - Serbia appears to be near-ready to enter the initial EU accession stage. From the Chapter perspective, in the 2021 Progress report, around 67% are evaluated as 'moderately prepared' for membership (grade 3 on our scale), 18% are classified as 'good level of preparation' grade 4, with the remaining 15% grouped in 'some level of preparation' grade 2, requiring further improvements. From that perspective, Serbia seems to be 85% prepared for entering the initial accession phase.

However, taking the fundamental importance of Chapters 23 - Judiciary and Fundamental Rights and 24 - Justice, Freedom, and Security; their underdevelopment inhibits Serbia's accession efforts, regardless of the applied approach. Hypothetically, perhaps the 'clusterized' logic might somewhat divert the focus from individual chapter grades (such as 23-24) to the broader, cluster level. Nevertheless, Emerson *et al.* (2021, 6-7) envisage that certain domains might carry additional weight, or that clusters might be layered, so the evaluation itself can be differentiated. Lower grades in fundamental domains would additionally impact the overall cluster average, which would require additional institutional efforts to meet the initial stage requirements.

Other stages include, 'intermediate accession' (characterized by 3-4 ratings, raise to 75% of conventional membership funding and advanced observer status at EU bodies); 'new Member State' (mainly 5 ratings, full membership funding, full institutional partaking excluding veto rights) and 'conventional membership' (unlimited participation across policies and EU bodies), without scheduled duration or target dates (each phase can last as much as needed) (Emerson *et al.* 2021, 2). Considering that absence of membership deadlines arguably represents the policy's chief deficiency due to the EU unwillingness to set them, we consider that staged accession would reduce pressure on



EU by allowing the candidates to focus on progressing to distinctive membership stages, rather than seeking after a pre-scheduled EU entry (already discarded in Brdo).

The layered approach might unlock new possibilities for both sides by 1) overcoming the stalemate; 2) reinventing the enlargement domain in line with differentiation trends that growingly shape the European integration; 3) offering the candidates an early insight into the functioning of EU bodies, policies, and procedures;<sup>7</sup> 4) allowing the Member States greater say in the accession process while safeguarding the institutional order; 5) preventing the negative spill-over from the new Member States via boundaries set by their respective levels of integration, across all domains of EU special concern.

Regarding the institutional participation, Emerson *et al.* (2021, 7-10) suggest an inclusion into the policy dialogue and a selective observer status already during the initial stage, and introduction of certain voting rights beginning from the third stage, coupled with limitations of veto-powers to older Member States, except when it comes to approval of the candidates' accession treaties (before stage 3). These aspects are consistent with the revised methodology logic which foresees earlier phasing-in to EU initiatives and intends to provide greater clarity regarding expectations from the candidates in different stages. Although current EU legislation envisages either complete membership or enhanced cooperation with third countries (including through association agreements), selective participation of non-Member States is already possible, exemplified by the EEA agreements (whose signatories implement all Schengen-related rules, while not holding decision-making powers) (Karakas 2006, 319).

Having in mind the EEA model, current EU candidates may also conclude specific policy agreements with the EU, regardless of their accession status. The Icelandic example is indicative in that regard: an EFTA participant (1970) and EEA member (1994), it joined Schengen (2001) and entered EU membership negotiations in 2010 (before revoking its accession ambitions later on) (Avery *et al.* 2011, 95). The EU-Iceland relations represent an example that a country can follow a path from a gradual integration (largely in the economic domain) towards a political integration (seeking EU membership).

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<sup>7</sup>This element, according to the author, would be extremely justified, given that conditionality has been used in the Western Balkans' accession process before (Petrović 2021, 30).



## CONCLUSION

Gradual integration concepts developed by Mirel (2019) and Emerson *et al.* (2021) propose very specific integration levels that are compatible with the revised methodology approach. They contain all the EU-required elements: the merit-based system, focusing on the fundamentals, increased credibility through greater predictability of positive and negative conditioning, and also very tangible benefits for the candidates earlier ahead of the full membership stage. Nevertheless, proposed concepts do not offer solutions to aspects like limited statehood, which constitutes a major challenge due to a blend of high costs, insufficient motives, underperforming state capacities, and bilateral conflicts (Boerzel 2011, 5). It is well attested that the EU's recent approach towards the WB has been more conducive to stabilocratic trends than to transformative processes, as part of its wider stability-democracy dilemma (Smith *et al.* 2021, 2). Considering that, we believe that any potentially revised accession model also needs to address the weak statehood and bilateral disputes to become truly comprehensive and transformative.<sup>8</sup>

Diverging approaches within the EU towards the enlargement policy constitute an additional challenge towards articulating or revising the WB accession model (Ker-Lindsay *et al.* 2017, 515). A common approach should be accompanied by an internal agreement regarding the limited application of veto rights in the enlargement domain. Emerson *et al.* (2021, 8) suggest the limitations of veto rights to essential situations like passing from the second to the third stage of gradual integration (that requires consent regarding the accession treaties). These mechanisms, we consider, might be supplemented by specific procedures in circumstances when non-EU-related issues, such as historical disputes, obstruct candidates' EU advancement, as in the case of North Macedonia and Bulgaria.

The gradual accession approach validates the progress achieved so far while offering additional incentives (increase of funds and institutional partaking). It enables possibilities like an observer status or limited participation in EU policies and institutions, following the achieved progress. These developments, we believe, will deter democratic and further backsliding, while motivating candidates to focus on progress through defined integration levels. Montenegro or Serbia might already be (largely) prepared to enter the initial accession stage in the majority of domains. Observer status and policy discussions would subject the candidates to greater involvement in EU domains well ahead of (full) membership, whereas increased funding would contribute to Europeanization across the board while offering a practicing platform for greater integration.

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<sup>8</sup>Political conditionality has been essential for resolving bilateral and internal disputes for the sake of EU integration (Richter 2012). We consider that that instrument would be sharpened in case the EU demonstrated a more tangible willingness to allow gradual approximation of the WB, provided that an internal EU coherence is secured.

Such an approach would, in policy domains, make WB candidates feel more like future Member States and less like third countries. An additional reason for the WB's interest in gradual accession is the previous track record. For instance, Serbia and North Macedonia as Erasmus+ program countries already fully participate in, comparable to the Member States. Inclusion into specific policies/programs may require financial contributions from the candidates (like in Erasmus+), whereas non-EU members do not require strategic decision-making rights.

Since the EU is unlikely to expand further, a gradual membership idea wouldn't set a precedent for other (third) countries. Consequently, there is no harm in reinventing the enlargement approach, since membership aspirations are only recognized for Balkan countries. Apart from the fact that WB constitutes an enclave within the EU, the EU is by far their first trading partner, and these countries are already largely integrated with various aspects of the European market, making their status somewhat comparable to EEA participants.

In the staged accession context, candidates may express opinions and recommendations, without voting rights ahead of the political membership period (following the accession treaty). Observer and limited participation status would be less controversial to the Member States which oppose enlargement. It might even serve as an example of how actual membership is delayed until conditions are met. That logic would thus be beneficial both for the old members (which would demonstrate an objection towards speedy accession) and for the WB countries (whose subjects would reap benefits from partial integration earlier on). Additionally, the absence of political membership would also sharpen the conditionality principle and incite candidates to conduct reforms for the sake of progressing towards both increased funding and the decision-making stage. Gradual accession offers more control to the EU, some satisfaction to the candidates, and clear benefits to both sides, while not diverging from the Copenhagen and other criteria. 🌐

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# THE IMPORTANCE OF THE ENGLISH LANGUAGE IN PUBLIC DIPLOMACY AND INTERNATIONAL RELATIONS

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**Abstract:** *The primary language of international relations and diplomacy is English. The representatives of international bodies communicate in the English language. It is vital to establish English as the official language for international organizations in facilitating more efficient collaboration internationally. English dominance in international communication becomes increasingly apparent. This study aimed at gaining a more in-depth understanding of the significance of the English language. It also aimed at identifying, describing, and explaining the importance of the English language in public diplomacy and international relations. The researcher used the descriptive research method in the study, notably; secondary data were used for collecting reliable conclusions for the research. The findings suggested that the adoption of formulaic language, particularly, idioms and idiomatic expressions to further embellish the phrases used in the arena of international relations or policy is a peculiarity of the English language. The study concluded that formulaic language and the adoption and usage of idioms is a distinguishing feature that diplomats and those who have a career in international law and international relations should master.*

**Keywords:** *International Relations; English; Language; Diplomacy; Law; Communication; Policy*

## INTRODUCTION

The present era is of globalization, and with this increasing concept, international relations are continuously expanding. With the growing relations, the countries are performing on a single platform. In this situation, it is vital to communicate effectively with the appropriate application of language. To establish and strengthen international relations, proper communication is essential. Communication can be verbal or written; still, the English language is considered the language of business, which is usually communicated worldwide to avoid further misunderstandings. Aaliyah (2021) says that English can be said as the language of international trade and relations. The English language is widely used to share thoughts and ideas. Although it may not be the most spoken language worldwide, it is still the official language of around 53 nations and is spoken by approximately 400 million people.



Several reasons can describe the importance of the English language as it is an international common tongue, the language of academia, and essential while working in international commerce or business. English has also replaced the French language since WWII, notably with the Treaty of Versailles which was written in French and English. The English language has become the lingua franca because this is the common language and most suitable mode of communication that helps people understand each other regardless of any ethical or cultural background as per Aleshina (2017).

Further, another role of the English language is to strengthen western influence over other countries. It enhances domination and facilitates better communication, and can be referred to as an appropriate tool to attain various objectives of multiple individuals. Among various diplomatic languages, English can be said as the most popular one. This language is the most preferred choice amongst the masses. Approximately 1.1 billion people consider English as a significant foreign or second language (Lyons 2021). It is the language of prestige and power and thus can be said as a gatekeeper to economic and social progress. According to Brannen (2017), English is an official working language in most international organizations. The rise of English in diplomacy started in 1919. The English language began as the language of three powerful tribes in the fifth century, the Angles, Saxons, and Jutes, and has since evolved into an international language.

Some unofficial global lingua franca also regards it due to mainly developed western countries' political, cultural, and economic power. Most of the world's crucial scientific journals are also published in the English language. Moreover, English is also shaping the future of international law says Buerki *et al.* (2020). This is the language that everyone chooses to communicate in, and it has both practical and political ramifications. This is the language in which legal negotiations and inter-state diplomacy take place. Examining the role of language in the development, application, and research of international law reveals a variety of ways in which language is linked to power in international law.

In terms of the creation of international law, English is now the main language in which inter-state diplomacy and negotiation over legal texts are conducted. This raises practical difficulties for those who do not have English as their native language, who may be at a disadvantage when it comes to the detailed, technical negotiations over the wording to be used in legal texts. Under pressure, it can be hard for non-native-speaking delegations to keep up with fast-moving negotiations and rapidly changing draft texts, a fact which offers a significant strategic advantage to English speakers. Choice of language also affects the application of international law by international organizations, including courts and tribunals. The same applies to public diplomacy and communication among parties. In practice, much of the work of these organizations is conducted in English. This raises concerns that those who do not speak English may be marginalized or excluded from the work of these bodies.

This marginalization or exclusion operates on two levels. The first is practical: without knowledge of English, individuals won't be eligible to work for these organizations, and, more generally, will be unable to engage effectively with their work. The second is symbolic: individuals and groups may feel that an institution that does not use their language does not truly represent them. This reflects, for example, the strong feelings around proposals to make Irish an official EU language, despite the fact that most, if not all, Irish speakers can also communicate in English.

The present paper is based on examining the importance of the English language in maintaining international relations and in public diplomacy. This is inclined towards concerning the research objectives. The study elaborates the significance of the English language in maintaining business relations, emphasizing the importance of public diplomacy, and bridging the global boundaries. Thus, it can be said that this language is vital to make the business steady in overcoming communication barriers in the global economy. This makes collaboration easy and enhances the awareness of objectives within the international business context. Awareness and understanding of the English language help in developing global opportunities and help the business expand its customer base by maintaining efficient relations.

According to Ches *et al.* (2017), the growing need for using the English language in international relations, international law, and diplomacy has promoted language learning as a necessary component of social and political inclusion, yet English has established itself as the dominant language. In this line, English for occupational purposes has been taken into consideration. English for occupational purposes is a branch of English for Specific Purposes and covers situations in which learners are studying English for work-related reasons. The topics are based on an analysis of their specific communicative needs in their work. In our context, it relates to English for diplomacy and international relations. English language learning is a process that sometimes may be considered challenging, as is the case with English for Occupational Purposes (EOP). This is because the English language in international relations and diplomacy requires learners to be at a higher proficiency in English because this type of language is professional. The goal of English for Occupational Purposes is to meet learners' occupational English language needs in their workplaces. In other words, the EOP is a method of second or foreign language teaching through which the learners' needs are evaluated initially and then the curricula and syllabus are designed based on their needs, wants, and lacks to develop their language skills for their academic or occupational purposes.

In this line, English for international relations and diplomacy has its distinguishing features. The importance of learning this type of language is undeniable. Diplomats, professionals, and academics in international relations are required to learn this type of language as it is considered a must in this career. In the past, diplomats, politicians, and those who have a career in law, international relations, public policy, communicated in

the English language through translation acknowledged Chou (2018). The translation in this type of communication has proven to be costly and impractical. Bilateral and multilateral communication between and among parties involved requires high proficiency language skills in all four skills of the language, i.e. reading, writing, listening, and speaking. Therefore, diplomats need to master all the language skills to be able to communicate effectively and efficiently. It is worth mentioning that the English language in diplomacy has some distinguishing features.

First of all, it is different from general English. Diplomats entering a career in diplomacy should learn the general English language first and become proficient so that they could continue with learning the EOP, notably, English for diplomacy. Secondly, its vocabulary is different from general English. Thirdly, another distinguishing feature of this type of language has a different style both in spoken and written language. Next, texts of diplomatic official documents contain a lot of terms and terminological word-combinations in English. In the views of Cull (2019) the use of formulaic language in diplomacy is very common. It includes compound words, fixed expressions, clichés, lexical metaphors, idioms, etc.

## RESEARCH QUESTIONS

The following research objectives in this study were used to define the direction and/or content of the research investigation:

1. How the English language plays an important role in international relations?
2. What is the role of the English language in public diplomacy?
3. What is the extent of idioms and formulaic language adopted and used in the English language while communicating in public diplomacy and international relations?

## RESEARCH OBJECTIVES

The study used the following research questions that guided the researcher in terms of data needed, data collection method, and data analysis:

1. To identify the importance of the English language in public diplomacy.
2. To determine the significance of the English language in international relations.
3. To emphasize the importance of public diplomacy in bridging global boundaries.
4. To describe and explain the usage and adoption of formulaic language and plain language in the English language in the arena of international relations or policy.

## IMPORTANCE OF THE STUDY

The overall significance of the study is the recognition of the English language in the world. Study results will help determine the importance of the English language in public diplomacy and international relations. This research will encourage innovative approaches to improving knowledge, skills, and attitudes, resulting in future internationally competitive skills. The individuals will have a better understanding of the importance of increasing the use of English as a primary language as a result of this research. The analysis offered in this paper will provide useful information for future research into numerous areas of the English language. In addition to this, the data collected will also help the readers to improve academically.

## LITERATURE REVIEW

### *The Use of English in Public Diplomacy*

In public diplomacy, selecting the appropriate words is essential. Words are the building blocks of phrases. Each sentence should be a jumbled-up idea. It is preferable to employ short, concise, straightforward sentences if one wants to be clear, especially while utilizing a language that one does not fully know. In this sense, English is the most widely used diplomatic language. It is the first choice of both the public and legal affairs says Deng (2019). It is estimated that 1.1 billion people know English as a second or foreign language. English as a worldwide language has now become the language of power and status, English's current supremacy as a world language is undeniable. English is the contemporary worldwide business, scientific, technology, and aviation lingua franca. The English language retains its intact leader's status, allowing for the successful negotiation of diplomatic agreements amongst a wide range of allies.

There are several reasons behind the present trend of using English outside of English-speaking countries. Individuals who do not speak English will be unable to work for these organizations and, more broadly, will be unable to participate effectively in their work. Speaking English will provide people access to a whole new world of enjoyment, career, and more. Nowadays, it's difficult to imagine a young person who does not speak or study at least one language other than their mother tongue. In a variety of industries, globalization forces many individuals to communicate in English.

English is a universal language that may assist people in any situation. As a result, the English language is important in public diplomacy. It has been found that several types of governments in practice around the world maintain parity between discussions at global level summits cross country discussions select an English and a local language translator respectively to prevent any difference in understanding the root of the discussion.

Major world-class organizations like the United Nations, the WHO which work at a global level rely on the English language to issue any notification/information. It is also found that English is also becoming the preeminent language for academic communication, with English being used in the majority of important journals, conferences, learned societies, and scholarly works. English is spoken in so many nations, there are thousands of colleges and universities offering English programs all over the world. It is also evaluated that English is an especially significant language on the internet, with more than half of all information written in the language. Furthermore, according to Ferraro (2021), English-speaking nations are linked to some of the world's largest tech corporations. He also added English is also the language of scientific research and the most widely used language in the tourism industry.

Moreover, Hollywood as an industry which gave some of the most influential talents and individuals around the globe relied almost on English as their end product has users who could understand and comprehend English. Due to Hollywood's importance in worldwide media, a large number of films, television shows, and famous tunes are written in English. E-business has been progressing and achieving good results in the sector of industry and business, as it is largely used on the internet. It is also the language used by some international organizations such as the United Nations, the WHO, UNESCO, UNICEF, WTO, ILO, BRICS, INTERPOL, etc.

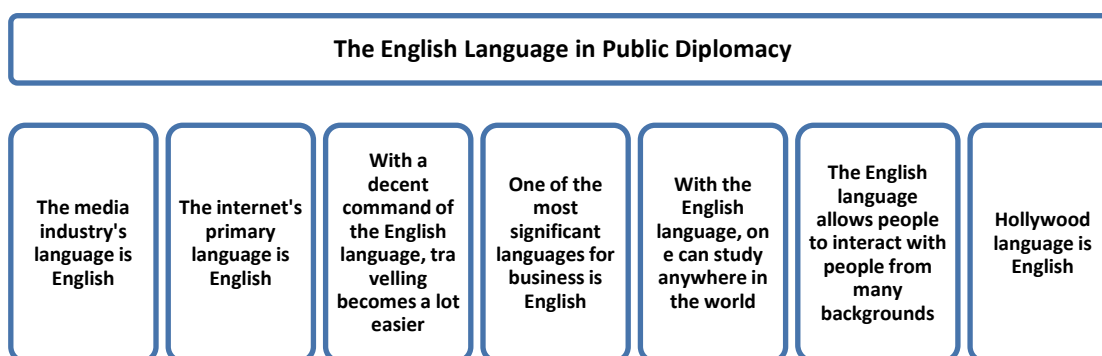


Figure 1: English Language in Public Diplomacy (Source: Author's depiction)

## INTERNATIONAL RELATIONS AND THE ENGLISH LANGUAGE

The language in which international law is conducted is important. The terminology people use to discuss international law has political and practical consequences. Realistically, English is the language of choice throughout countries. It has become the international language for cross-border trades, media, science, etc. Due to its span, English has become the language of the global workforce which operates

across continents. Conglomerates and corporations have organized their operations around English to preserve homogeneity among all sections of the workforce.

English is the most widely spoken language across the globe which gives an edge of comprehension to its users of global content says Grahovac (2020). Whether it's an international summit or a global event, English will be the dominant language used to establish a marketing environment around it. Furthermore, one must prepare the generation for globalization, and the first and most essential guideline is to go deep and local into the grassroots level, creating the foundation of English as an adaptable language that can be taught from the start of any individual's academic path.

Nowadays every line of the profession has its forums and community to share and exchange their experiences on a particular problem and all the information is available in English as well as local communication language. The reason it's available in English is for wider reach. English serves as a bridge between internal and external stakeholders, including a global workforce. This bond is only strengthened through good communication, which boosts a company's trustworthiness. According to estimates, two billion individuals around the world will be presently Studying It has evolved from a mark of the elite to a basic competence required of professional workers. It's analogous to how reading used to be a luxury a few generations earlier and has now evolved into a necessity. The majority of individuals who acquire English as a second language prepare themselves for a variety of professional opportunities in international business states by Gumenyuk *et al.* (2021).

In reality, most organizations that use English as their official language are aware of this. Individuals who do not speak English will be unable to work for these organizations and, more broadly, will be unable to participate effectively in their work. Furthermore, it is not just businesses that place a larger focus on English as a preferred means of communication; most governments and significant educational institutions in a variety of different language-speaking countries do as well. Outsourcing allowed those who spoke the language fluently to fly abroad and work with international companies temporarily. This phenomenon was highly profitable for the language-speaking workforce, and it prompted a substantial section of the people to learn the language. Kim (2017) demonstrates that another advantage of speaking English is the ability to find work, as most employers require language abilities, particularly communication skills in English. This is because the majority of businesses do business with other countries. Since there are so many options to work for foreign firms in today's global employment market, everyone is putting up his best effort to improve his English language skills. The receptivity for the English language is the DNA of the upcoming generations as many governments made English mandatory for the learning and teaching of any individual. Even if the preferred language would be local there would be a provision of English as an additional language. The entire education system of many countries has English as its foundation. Along with speaking fluently, effective

communication in writing is equally important for success. The key to learning and enriching the work with multiple options is a solid capacity to articulate the views in writing and verbally. Kristina *et al.* (2021), determine that employees that can communicate in English with partners and clients all across the world are in high demand. One may work as a translator, a language teacher, or an English marketing specialist for a multinational corporation if they speak English fluently. Learning English is a critical step toward achieving all of the objectives. Lee and Jonathan (2020) say that people will be capable of communicating with more people online and use more materials when they can communicate in English. The options are limitless (Figure 2).

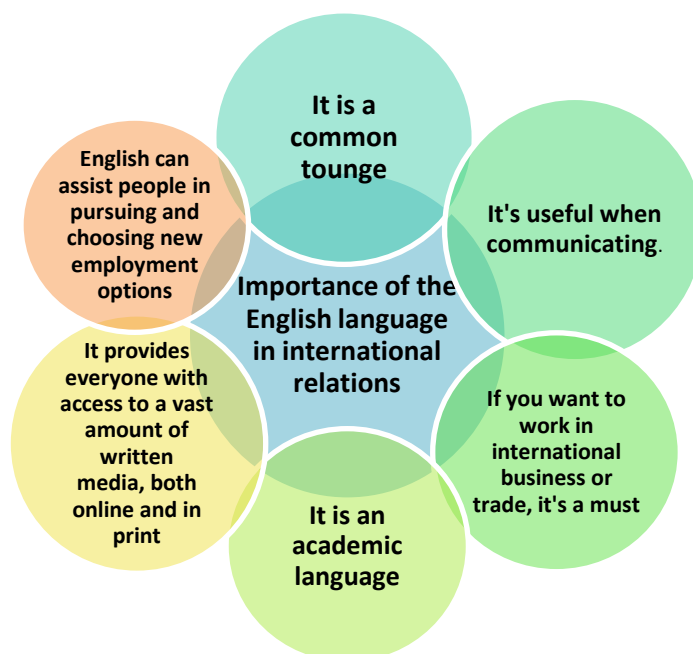


Figure 2: The Importance of the English Language in Maintaining International Relations  
(Source: Author's depiction)

## IDIOMS AND FORMULAIC LANGUAGE ADOPTED AND USED IN THE ENGLISH LANGUAGE WHILE COMMUNICATING IN PUBLIC DIPLOMACY AND INTERNATIONAL RELATIONS

The English language makes extensive use of idioms to enrich sentences used in international affairs and diplomacy. English is currently the most often used language for inter-state diplomacy and legal text negotiations in international relations. International organizations have a limited number of official languages and English is one of them, it is widely used in international law, including courts and tribunals.



Manor (2019) reports that there are a variety of idioms those countries employ while speaking in public diplomacy and international affairs. For example, the idiom 'Lame Duck' is frequently used in international relations to describe a politician who has lost his or her uniqueness and authority. The acronym 'NIMBY' means 'Not In My Backyard', and it is used when the officials of a country express their citizens' concerns regarding the development of new or extremely risky technology. 'BANANA' (Building Absolutely Nothing Anyone Near Anything) is another commonly employed acronym. This term is frequently used in international relations to describe a policy forbidding the construction of something that may cause inconvenience to people who already dwell in a certain location. In the realm of environmental safety, this word is usually used to express disapproval of certain environmentally damaging actions. As a result, English is the most often used language in international contacts and policies. Diplomacy is the backbone of inter-state or inter-organizational relations. In addition to this, diplomats are chosen by their government to represent and implement their country's foreign policy. Diplomats communicate in English, which, as Peniro and Jorde (2019) noted, has already acquired global characteristics.

A well-defined group of words, densely linked in a lexical pattern to facilitate communication, is referred to as formulaic language. The learning, production, and overall usage of language are all aided by formulaic language. English is the language spoken by approximately 2 billion people on this planet. According to this math, every third individual speaks English. In the opinion of Rao (2019), to conduct any public diplomacy survey or event authorities depend on English as a language to communicate with the masses. English as a language has the highest reach among common people and word of mouth is an effective and one of the most traditional ways of spreading information. Sevin (2019) validates that, by this virtue of creating and spreading information to the masses all diplomats of the representative government of each country prefer English as a language of commonality. Therefore, the realm of diplomacy is where English has developed the most. Furthermore, the significance of oral communication among participants in diplomatic discussions cannot be overstated. As a result, it is vital to study the criteria for spoken communication.

Oral communication is still one of the clearest forms of communication; it is the foundation of human interaction, and there are fewer chances of miscommunication. Along with speaking fluently, effective communication in writing is equally important for success. The key to learning and enriching the work with multiple options is a solid capacity to articulate the views in writing and verbally says Sheehan (2021).

It has been noticed that the EU Member States have promoted linguistic diversity as essential for social and political equality, while English has firmly established itself as the dominant language. Historically, English as a language has been used to widespread the creations of imagination as books on literature, fiction, biographies, self-development, etc.

## METHODOLOGY

The methodology section of the article allows readers to assess the general validity and dependability of the research while also providing important information about two essential aspects of the study. As a result, in this study, the researcher employs the critical bibliographic review method. This method assists researchers in determining and explaining facts with examples and statics. This study shed light on many different aspects of how the English language is used, including communication, academics, business, media, travel, and entertainment.

## DATA COLLECTION

To get useful results, the author relied on secondary data. Secondary data was collected from a variety of sources, including publications, articles, reviews, and previous research investigations. The results are based on the most current and reliable data available. The study covers a variety of literature and research perspectives on the issue to establish the usefulness of the English language in public diplomacy and international relations. Secondary research makes use of not only a massive quantity of data but also data that has been collected carefully. Researchers use secondary data, which allows them to deal with massive data sets that have already been compiled by others. As a result, researchers can work with longitudinal data, which can be used to investigate trends and changes in phenomena across time. Researchers can look into trends in the use of linked topics using the amount of data available on the internet. As a result, the varied opinions of numerous authors and researchers were compared and contrasted to arrive at appropriate results.

## RESULTS

All the research findings of the study were critically reviewed from various journals, research papers, articles, etc. Findings from the preceding study signify that English possesses the 'universal language' characteristics of diversity, flexibility, and adaptability. The researcher interpret that the English language was chosen as the business or communication language to avoid misunderstandings when cooperating. English is employed as a business language, a language of international interactions, and a language of personnel at multinational corporations in the era of globalization.

Both sides must be able to speak in the same language in order for business deals with other countries to go well. The findings of the study demonstrate that the English language plays an important role in international relations. For example, fluent speaking and writing abilities are essential for gaining decent job chances with lucrative compensation packages. For all official and legal concerns, the majority of national and

international organizations use English as their primary means of communication. The efficient running of activities, such as the regular exchange of e-mails, presentations, and sales and marketing, is aided by a good command of the language. It has also been recognized as an official language in over 75 nations. As a result, new enterprises will follow suit and create their networks and corporate atmosphere solely based on language. A specific language English serves as a yardstick for evaluating and improving performance and output. The English language is critical for tracking performance in a wide range of geographically diverse functions and business ventures. The English language is critical in overcoming such opposition and vagaries in the business because it aids in keeping a corporation stable in the global economy and overcoming communication hurdles. It is also determined that since different people speak different languages in different parts of the world, there is a need for a common language that is spoken by the majority of people worldwide. English has now become the international language, as it is spoken by people from all over the world. With ethnic communities in other counties, English serves as a neutral mode of communication.

Diplomats engage in negotiations, persuasion, presentation, and communication, all of which require language skills to conduct diplomatic work effectively. Tenzer *et al.* (2017) reveal that equally the written and the spoken language necessitate the mastering of concepts and skills, and need to consider message and context. Therefore, the previously listed examples could serve as an illustration that diplomats should consider this aspect of the English language. Language can also assist as a form of action: when we warn, threaten, promise, suggest, agree, advice, or otherwise, we are doing something, and not merely 'saying' something. The effect of the unsaid in communication (the meaningful silence) is equally vital. Diplomacy, like any other area of communication, has its own set of idioms, clichés, syntactical patterns, and other language peculiarities.

The findings of the research (Table 1) also concluded that the broad lexis of diplomatic English entails almost exclusively academic words; the wording of documents is as remote and impersonal. Another finding of the present research is that diplomatic vocabulary comprises of terms and words used in the domain of international law in some special meaning. Also, diplomats use plain English words. Another distinguishing feature of the English language in diplomacy found in this research is the use of formulaic language and idioms. The findings of the study also concluded that people from culturally diverse backgrounds and nations are also considered when they come to work in international businesses. Even if they aren't physically working together, they are interacting online. The English language used in this scenario facilitates communication and the free flow of ideas, resulting in improved creativity and cross-border partnership. In an international business, having a common language is essential for teamwork and boosting awareness of goals. Relationships are the foundation of any business, and relationships rely on effective communication. In this scenario, an English language that

is spoken all over the world and is structurally simpler to learn is used. The widespread use of English as a foreign language can be linked to educational, economic, and cultural globalization. It also includes tourism, advertising, science, technology, education, the internet, and information technology.

As English has got the common qualities, it has been accepted as the global language among the speakers of thousands of different languages. According to Rosenberg (2021), English is the official language of 60 sovereign states and 29 non-sovereign entities, at the regional or local level, many country subdivisions have declared English to be an official language (Figure 3). According to Tibet (2021), English has been classified as a universal language in order to meet the needs of people all over the world.

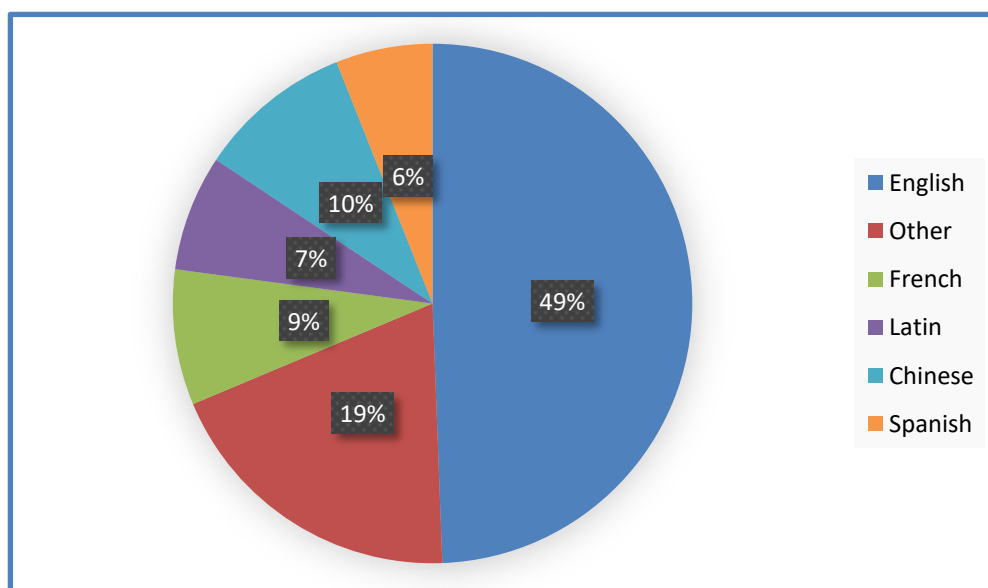


Figure 3: The Use of the English Language in the World (Source: Author's depiction)

**Table 1: The Research Questions' Answers (Source: Author's depiction)**

Questions	Findings
<b>How the English Language Plays an Important Role in International Relations?</b>	<ul style="list-style-type: none"> <li>• As the English language became widespread, it has become the international language for cross-border business, media, science, etc.</li> <li>• The majority of national and international organizations utilize English as their primary means of communication for all official and legal matters.</li> <li>• The English language is critical for assessing performance in a wide range of geographically diverse functions and business operations.</li> <li>• The English language is critical in overcoming opposition and vagaries in business since it aids in sustaining a corporation's stability in the global economy and overcoming communication challenges.</li> <li>• English is used to connect internal and external stakeholders, such as a worldwide workforce.</li> </ul>
<b>What is the Role of the English Language in Public Diplomacy?</b>	<ul style="list-style-type: none"> <li>• English is the most widely used diplomatic language as it is the first choice for both public and legal matters.</li> <li>• The English language retains its monolithic leader status, allowing for the successful negotiation of diplomatic agreements among a wide range of allies.</li> <li>• People from diverse backgrounds choose the English language to avoid any difference in understanding the root of the discussion.</li> <li>• English is the dominating language for academic communication, according to Zaharna (2019), with English being used in the most prominent journals, conferences, scholarly societies, and scholarly works.</li> <li>• The English language is the DNA of peers to come as many governments have made English obligatory for any individual to learn and teach.</li> <li>• Diplomats communicate in English, which has already acquired the characteristics of a global language.</li> </ul>
<b>What is the Extent of Idioms and Formulaic Language Adopted and Used in the English Language while Communicating in Public Diplomacy and International Relations?</b>	<ul style="list-style-type: none"> <li>• It is mostly the language in which international law is conducted.</li> <li>• English is currently the most widely used language in international relations for inter-state diplomacy and legal text negotiations.</li> <li>• The country uses a variety of idioms in public diplomacy and international relations, including 'Lame Duck', 'Beat Around the Bush', etc.</li> <li>• To maintain uniformity across all segments of the workforce, groups and corporations have designed their operations around English.</li> <li>• Language diversity is considered crucial for social and political equality by EU Member States. English, on the other hand, has firmly established itself.</li> </ul>

## CONCLUSION

This paper concludes that English is the primary language of international relations, with an emphasis on its role in diplomatic development. The significance of English as a worldwide language has been thoroughly examined in this work, and some statistical data has been provided as evidence that English is the sole language that is spoken and acknowledged universally. The fact that more than half of UN Member States prefer to speak English demonstrates the importance of English as a *lingua franca*. The EU is the major European organization that facilitates collaboration among the Member States or aspires to be a part of it. Declaring English as the organization's official language was critical to allow more efficient collaboration. Other international organizations are in the same boat. Economic links between countries, worldwide commercial relationships, global trade, and other forms of international engagement are all aspects of international cooperation. In these international interactions, English is the *lingua franca*. Hence, English is deployed as a communication tool amongst commercial organizations and addresses the needs of international corporations. It has been evaluated almost all of the world's most powerful business and governmental leaders prefer to communicate in English. During the meetings, officials from international organizations needed to converse with one another and express their perspectives. It could be easier to communicate if each of the spokes in his common language is English. Further, it is summarized that all international legislation, decrees, dialogues, and debates are conducted in English. NATO is likewise a global organization that operates in English due to the need to communicate in a common language. In an international business, having a common language is essential for teamwork and boosting awareness of goals. Relationships are the foundation of any business, and relationships rely on effective communication.

With the advancement of globalization, it is an irrefutable fact that a rising number of people from different countries are conversing and exchanging ideas in a single language, English. If one wants to join the wave of globalization and conduct successful worldwide communications, or if one wants to become a prominent politician, merchant, or scientist, then they must be able to communicate in English. As a result, English has become the world's most powerful and dominant language, prompting many linguists and language specialists to refer to it as a global language. Similar to any specific scope of communication, diplomacy has its stock of special expressions, clichés, specific syntactical patterns, and other linguistic peculiarities. Diplomats participate in negotiations, persuasion, presentation, and communication, all of which necessitate language skills for the effective conduct of diplomatic work. Equally the written and the spoken language necessitate the mastering of concepts and skills and need to consider message and context. Other differentiating characteristics that diplomats and people with a profession in international law and international relations

should master are formulaic language and the acquisition and use of idioms. As a result, the previous examples may serve as an example of why diplomats should think about this feature of the English language. For academics in this discipline, analyzing the formulaic language in diplomatic speech could be a good idea. 🌐



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# TURKISH AND LIBYAN REFUGEE DEALS: A CRITICAL ANALYSIS OF THE EUROPEAN UNION'S SECURITARIAN IRREGULAR MIGRATION POLICY

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**Abstract:** *This article critically analyzed the Turkish and Libyan refugee deals. We argued that these deals proved to be unsustainable policy frameworks by focusing on their practical outcomes regarding humanitarian objectives. We utilized the 'Fortress Europe' concept to demonstrate how the European Union's security concerns shaped the framework of these deals. Our study elaborated on two main arguments: First, these deals have undermined both Turkey and Libya's migration management capacities. Second, these deals failed to provide adequate mechanisms supervising the enforcement of humanitarian objectives. We focus on two dynamics leading to the failure of these deals. First, the EU's prioritization of security concerns has resulted in overlooking the irregular migration's humanitarian and societal costs to the third countries. Second, the EU's securitarian strategy contributed to further politicization and securitization of cooperation on migration. In conclusion, we argue that the EU should revise its securitarian strategy on irregular migration to include a more effective multi-lateral and multi-dimensional framework that focuses more on humanitarian issues while ensuring that the responsibilities will be fairly shared between the EU and third countries based on their capacities.*

**Keywords:** *Fortress Europe; Turkey; Libya; Irregular Migration; EU Migration Policy*

## INTRODUCTION

The European Union (EU), championing high humanitarian values and better living standards, has always been an attractive destination for irregular and regular migration. However, by the second half of the 2010s, these migration flows have amounted to an excessive point for the EU, producing a 'migration crisis'. Originated from political and economic developments in neighboring regions - especially the civil

war in Syria, increasingly adverse economic conditions in Africa, and growing despair in Southeast Europe - thousands of people have set to leave their countries of origin. Consequently, the irregular migration flows reached their peak in 2015 - nearly two million - according to the European Border and Coast Guard Agency (FRONTEX) (FRONTEX 2017, 6).

In line with the International Organization for Migration's definition of irregular migration as "movement of persons that take place outside the laws, regulations, or international agreements governing the entry into or exit from the State of origin, transit or destination" (IOM 2021), the issue of irregular migration to the 'developed' countries have become not only increasingly dangerous due to the 'pushback' policies of destination countries but also more global as this journey involves more than one country - states of origin, transit, and destination.

The refugee deals have been among the specific policy frameworks devised by the EU which aims to ensure its border control and security by cooperating with the third countries. Accordingly, we investigate the practical effects of the Turkish and Libyan agreements, particularly those dealing with humanitarian issues, to assess their usability as policy frameworks in the EU's toolkit for managing irregular migration. Therefore, we examine the deals signed with both Turkey and Libya in 2016 and 2017, respectively to demonstrate that the EU's securitarian approach to irregular migration flows results in not only contradictory outcomes to the fundamental humanitarian values championed by the EU but also negative implications for the migration management capacities of the transit countries in the irregular migration routes. As these deals have been shaped by primarily the EU's security concerns, they resulted in facilitating the transfer of the humanitarian responsibilities of the EU to 'safe third countries', which contrary to what has been aimed by the EU undermined the migration management capacities of both Turkey and Libya. The humanitarian dimension of managing the irregular migration flows is overlooked, but also, the issue of migration has turned into a political-economic element in the diplomatic bargaining processes, leading to politicization and further securitization of migration. Consequently, the EU's policy of externalizing its borders - heavily criticized as the "Fortress Europe" (Sterkx 2008) - has become an unsustainable dynamic itself for cooperation on migration.

The study consists of two main parts. The first part briefly touches upon the origins and outcomes of the EU's securitarian approach to irregular migration - also conceptualized as the 'Fortress Europe'. We then briefly examine how the EU's relations with both Turkey and Libya have been implicated in forming these countries' migration policies. In the second part, considering the EU's objective of ensuring the protection of those in transit countries, we evaluate practical results of the EU's strategy for migration management and focus on how both deals have contradictorily produced undermining outcomes for cooperation on migration. In conclusion, we propose revising and consolidating multilateral platforms that could provide a fair share of the burden

between parties, after emphasizing that the EU's security-oriented migration policy should not overlook the humanitarian and social dimensions of irregular migration to handle irregular migration flows sustainably and effectively.

### COMBATING IRREGULAR MIGRATION: ORIGINS AND OUTCOMES OF 'FORTRESS EUROPE'

In the context of the 'migration crisis' by the 2010s, the Member States have revised their strategy on irregular migration by increasing the resources allocated to combating irregular migration and accelerated their efforts on strengthened coordination within and outside the EU. However, these efforts have led to further securitization and politicization of the EU's strategy while overlooking the humanitarian dimension of migration, as a consequence of which the EU has been heavily criticized as turning into a consolidated fortress of which the internal borders are abolished while the external walls are constantly rising (Kaya 2013). The resulting securitarian approach has meant a more exclusionary and restrictive attitude to unwanted migrants.

We argue that two processes relating to the EU itself have been significant in leading to the EU's security concerns' outweighing the humanitarian and social dimensions of irregular migration. The first is the 'Europeanization' of migration. Huysmans (2000, 770-71) argues that the Europeanization of migration further securitized the issue as there is now a radical political strategy that excludes people by reifying them as danger. For Bigo (2001), security today refers to reducing the limit of accepting the other instead of decreasing the threats. The EU increasingly utilizes its security concerns relating to irregular migration to legitimize the security-oriented policies - i.e. increasing border controls and security. For instance, European Border and Coast Guard Agency launched in 2016 to strengthen the Schengen Information System (SIS). The agency was founded to collect and share biometric information and contained instruments focused on vigorously countering terrorism and irregular immigration (Council of the European Union and Parliament 2016). Therefore, as Bigo (2001) argues, while the objective of these efforts is to plant safety, it may also undermine the security of others due to undesirable side effects. Considering that the EU aims at ensuring a secure union by signing agreements with the third countries to increase its border security, we argue that the Europeanization of migration, despite its humanitarian cover, has unfolded within the framework of the traditional security understanding prioritizing the border security rather than human security.

The second is the lacking harmonization among the Member States' migration policies. The EU has spent a great effort creating a common political organ, especially after the Schengen process. A significant attempt on reaching this objective is the Dublin Convention which provides mechanisms for harmonization of asylum processing (Uçarar 2013, 283). With its mechanisms, the Convention was thought to be effective

against asylum shopping within the EU (Geddes 2003, 133), as it would regulate the asylum processing by assigning the responsibility to the first country to which asylum seeker first enters (ECRE 2006, 6). In practice, however, the Convention produced the exact opposite. Rather than facilitating the regulation as to asylum processing, it further complicated the process and undermined the solidarity within the EU. The criterion of the first point of entry has resulted in the Member States in the frontier - such as Greece, Italy, France, and Spain - facing overwhelming migration flows, further questioning the Dublin Convention's effectiveness. The reactions to secondary migration (the migrants and asylum seekers leave the first country of destination - such as Greece, Italy, Spain - to reach countries of destination - such as Germany and Nordic countries) have been noteworthy examples of undesired outcomes. Furthermore, as the concept of the EU with internal borders entails common consensus of the Member States on how common external borders shall work, the issue of who will be let inside the internal borders became increasingly related to the national sovereignty. The Member States varying capacities and differing political interests have turned into being the main source of divergence as to common migration management. The EU's attempt on common political organ thus has contributed to the issue of migration becoming part of 'high politics', meaning the Member States increasingly treat the migration matters within the sphere of internal politics. Consequently, the inclusion of the others into the EU has become increasingly more challenging due to the Member States' divergent attitudes against irregular migration (Huysmans 2000, 771).

In this respect, the primary outcome of the EU's securitarian approach to irregular migration has been the border externalization policy. By externalizing its borders, the EU aims to curb irregular migration flows, prevent human trafficking through the Aegean and Mediterranean, and eliminate the reasons for migration in the countries of origin. Cooperation with third countries constitutes a crucial part of this policy as the EU transfers its responsibilities regarding border security and control to the third countries thanks to this cooperation. The transit countries especially are expected to ensure adequate border controls while hosting the incoming irregular migrants and processing asylum demands. In return, the third countries receive financial, technical, and material support from the EU. The Convention provides the mechanisms for such cooperation, which aimed to build third countries' capacity to manage migration - refugee protection and border control (Hamood 2008, 20) while restricting unwanted forms of migration to Europe (Geddes 2003, 134). The EU's externalization of its borders thus in practice means expanding the EU's border security towards North Africa and the Balkans as well as assigning the responsibility of fighting irregular migration to the countries of transit (Sterkx 2008). In practice, however, the more securitized the EU's approach to irregular migration has become; the more strategic the third countries have been for the EU's border security.



However, as above-argued, such security-oriented cooperation between the EU and the third countries contributes to further overlooking of humanitarian issues and undermining the transit countries' migration management capacities (as we discuss below in the cases of Turkey and Libya) as well as crippling the cooperation on migration (Amnesty International 2014). We argue that two primary reasons are leading to such cooperation becoming unsustainable as a policy framework.

First, by transferring its responsibilities on migration management to third countries, the EU has failed to fulfill its human security goals declared in the Barcelona Report in which it recognized its obligations concerning the human security of those outside Europe (Albrecht *et al.* 2004). For instance, the deals signed with Turkey and Libya demonstrate that the EU prioritizes keeping unwanted migrants out of Europe, leading to practices that violate the non-refoulment principle. Consequently, the Member States utilize the overwhelming irregular migration flows to further legitimize their non-admission and non-arrival policies while turning away from human rights violations during irregular migration.

Second, the EU has a modality for shifting the control of its external borders away from its territory rather than focusing on ensuring safe countries for migrants (Müller and Slominski 2021, 806). According to Paris School, as the governments try to create a speech act that migration is a danger while concerned with keeping their control over borders, migration easily becomes a political tool for the governments. This allows them to find new solutions for refusing the migrants. Considering that the anti-immigration policies help the EU governments to tackle populist right-wing movements, which were on the rise after the 2008 financial crisis, the immigrants have become the scapegoats in many political-economic discourses against irregular migrants and asylum seekers - such as increased competition in the employment market; taxes paid to go to migrants (Fouskas and Gökyay 2019, 96). Besides that, the Member States' non-admission and non-arrival policies have resulted in illegal networks gaining further control of the irregular migration processes, leading to more dangerous journeys for migrants and increasing death toll in the sea and the desert. Such illegal activities thus severely undermine the effectiveness of the mechanisms for ensuring refugees' access to protection and human rights. As a consequence of the EU's failure in taking necessary precautions against these human rights violations and harsh conditions irregular migrants face, the concept of 'safe third country' for asylum seekers and irregular migrants loses its meaning.

Overall, driven mainly by security concerns, the EU's strategy on irregular migration seems to produce at best an elusive framework for cooperation with third countries on migration. Since we focus on the deals signed with Turkey and Libya to demonstrate the downsides of the EU's migration policy framework, the following two sub-sections briefly touch upon how Turkey and Libya's relations with the EU have been implicated in the formation of both Turkey and Libya's migration policies.

### *The EU-Turkey Relations as an 'Anchor' for Turkey's Migration Policy*

The EU's influence over Turkey's migration policy dates back to the 2000s when the relations with the EU, thanks to the accession process, have become the main anchor for reforms in Turkey's migration policy through harmonization of Turkey's migration and asylum policies with the EU's *acquis*. However, cooperation with Turkey located at the Aegean route to Europe has become increasingly strategic to the success of the EU's externalization policy by the 2010s in the context of the migration crisis (Arman 2017, 13). In the face of increasing irregular migration flows through the Aegean route, the EU considered critical reforming Turkey's migration policy. A significant example of these reforms was related to Turkey's discriminative attitude against the asylum seekers, in that, although Turkey signed the 1951 Geneva Convention of the UN and accepted the 1967 Protocol, it grants asylum status to only those coming from Europe. As a consequence, the EU signed the readmission agreement with Turkey on December 16, 2013. In this way, the EU consolidated the mechanisms for cooperation with Turkey on controlling the irregular migration to Europe, while externalizing its border security and control to Turkey.

The scope of cooperation has been enhanced to include new mechanisms by the second half of the 2010s when Greece received a considerable increase in applications for international protection status by irregular migrants originated from the Syrian crisis (In 2016, 1.1 million asylum seekers have applied for international protection status in the EU Member States along with Norway and Switzerland and it was Greece to which most international protection applications were made in 2016).

As argued above, the cooperation with Turkey was urgent in part because of the EU's internal processes. According to the first point of entry criterion by the Dublin Convention, Greece was assigned to be responsible for the asylum processing of those applicants. Nevertheless, Greece could not handle the overwhelming burden of this process alone. As a consequence, there was increasing social tension between migrants and locals in Greek Islands which set the stage for persistent revolts and protests in Khios, Lesbos, and Samos. One of the solutions the EU devised for handling such overwhelming irregular migration flows was a relocation mechanism built-in September 2015. This mechanism aimed to alleviate the burden created by huge numbers of international protection applicants on Greece and Italy (FRONTEX 2017, 25). Turkey, as a candidate country, has increasingly shaped its migration policy according to the EU's security concerns regarding irregular migration. Turkey has been highly motivated to cooperate with the EU in return for the progress in the candidacy process such as the start of visa liberalization dialogue and opening of new chapters as well as the EU's promise of financial aid in return for hosting the asylum seekers and irregular migrants in Turkey (Seeberg 2016). We argue thus that the Turkish-EU relations have been an intrinsic part of the EU-Turkey cooperation on migration.

However, the politicization and securitization of migration in large part due to the EU's prioritization of security concerns while cooperating with Turkey have led to ups and downs in the EU-Turkey cooperation on migration. For instance, when Turkey was offered a new form of relationship with the EU in 2011, Turkey utilized its position as a host country of nearly four million Syrian nationals as political leverage over the EU (Deutsche Welle TR 2020). The cooperation on migration was held until a positive agenda on the accession process - including the Refugee Deal and Visa Liberalization Dialogue - was agreed upon. The Syrian refugee crisis has become one of the practical tools utilized by both the EU and Turkey, which operationalized the crisis for their own political and security agenda.

### *The EU-Libya Relations as an 'Incentive' for Libya's Migration Policy*

Since the late 1990s, the EU-Libya relations have been a significant incentive for Libya's migration policy and cooperation with the EU. Similar to cooperation with Turkey, the EU's cooperation with Libya was driven mainly by the political and security concerns of both parties (Paoletti 2010). Libya's strategic location at the Mediterranean route to Europe has always rendered it crucial for the EU's migration policy - especially towards the migrants who originated in the African countries. The EU has benefited considerably from its political and economic position to encourage Qadhafi's Libya to cooperate on migration as the EU's externalization policy required stricter visa and border controls in the Mediterranean route by the 2000s.

In such a political and securitarian context, the EU-Libya cooperation was formed to curb migration to Italy and Malta - the frontier states of migration from the African countries - into the 2000s. There were two central objectives of this cooperation: to prevent the entry of unwanted migrants by securing Libya's borders and to return 'irregular migrants' to their countries of origin or a safe third country (European Parliament 2006; Hamood 2008, 20). It was Italy that especially cooperated with Libya to control its borders and manage the process of irregular migrants' return. Nevertheless, despite the cooperation, the 2000s saw many economic migrants entering Libya's inefficiently controlled southern borders (Pradella and Rad 2017, 2420).

On the other hand, the Qadhafi regime saw Libya's strategic location as a political tool to revive relations with the EU and fix Libya's international pariah state status during the 1990s. In return for cooperation with the EU on migration, Qadhafi demanded financial aid and revival of military and arms deals (Kamat and Shokr 2013, 163; Pradella and Rad 2017, 2420). In this respect, despite the announced humanitarian concerns, the EU-Libya cooperation reflected the EU's struggle to balance between its priorities - protection of the asylum seekers and ensuring its border security (Hamood 2008, 24).

For the first place, the EU's cooperation attempt corresponded to a period when Libya was struggling to overcome its pariah state status (Hamood 2008, 20), leading

definitely to the prioritization of political concerns. Besides that, Libya did not have official relations with the EU and had quite a bad record of human rights violations (Hamood 2008, 24). Libya lacked the necessary conditions and capacities for refugee protection. At the same time, there were also necessary institutional and legal reforms to be made (Hamood 2008, 26), considering that Libya was not a party to the 1951 Refugee Convention and had no domestic law or procedure for considering asylum claims. Along with that, the Libyan Coast Guard was known as highly corrupted (Baldwin-Edwards and Lutterbeck 2019, 2253), and the migrants were known to face human rights violations in detention centers (UNHR and UNSMIL 2016; Toaldo 2017). Overall, Libya lacked the capacities and mechanisms to fulfill the humanitarian objectives of the cooperation, meaning the protection of asylum seekers took of secondary importance in cooperation. Heavily criticized by the NGOs and civil society organizations, the EU-Libya cooperation thus necessitated revision, which was only realized with the 2008 Libyan-Italian Friendship Treaty. However, despite adding the cooperation an official status, the Treaty could not provide the expected changes regarding strengthened mechanisms for refugee protection. For instance, according to the Treaty, Libya was still expected to prevent migrants from its shores, participate in joint patrols in the Mediterranean, and utilize electronic controls contracted to Italian companies, while the harsh conditions the asylum seekers and irregular migrants faced in the detention centers were inadequately addressed. Moreover, the Italian government utilized this treaty for pushback operations in the Mediterranean, which was deemed illegal by the ECHR (Toaldo 2015). When the Qadhafi regime was toppled in 2011 and civil war prevailed in Libya, the EU-Libya cooperation was held. In this respect, although the Libyan land borders were officially closed, they have only become more porous due to the civil war (Malakooti 2013, 96), meaning the post-Qadhafi Libya has shown no progress regarding migration management. Worse, the human smuggling networks have now been controlled by armed militias which also vied for power in Libya's civil war (Pradella and Rad 2017, 2421), resulting in further complicating the cooperation with Libya. The EU, on the other hand, still focuses on its objective of preventing migrants using the Mediterranean route from entering Europe while devising new mechanisms to transfer its responsibilities to Libya as part of its border externalization policy. The cooperation has thus continued with the Interim Government supported by the UN. As a consequence of the EU's efforts to revive cooperation with Libya, the suspended 2008 Treaty was reiterated in the 2017 Memorandum of Understanding<sup>1</sup> between Italy and Libya. Like the previous one, the new deal aims to combat illegal migration, human trafficking and strengthen border security while providing increased financial support by the Italian government.

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<sup>1</sup>Signed on 03 February 2017; the MoU can be accessed from this link: [https://eumigrationlawblog.eu/wp-content/uploads/2017/10/MEMORANDUM\\_translation\\_finalversion.doc.pdf](https://eumigrationlawblog.eu/wp-content/uploads/2017/10/MEMORANDUM_translation_finalversion.doc.pdf)

## PREVENTING OR MANAGING THE MIGRATION: THE DEALS AS UNSUSTAINABLE POLICY TOOLS

The EU's irregular migration strategy is two-folded, that is, to transfer the responsibilities of protection to transit and origin countries and to take preventive measures to discourage mobility (Boswell 2003, 169). The EU applies these mechanisms within its migration policy framework to save lives in the sea and the desert, effectively manage the process of returns and discourage those who want to reach Europe by taking dangerous and illegal ways (EC 2016). The root causes of irregular migration are also addressed by the EU's long-term strategy on migration (Baldwin-Edwards and Lutterbeck 2019, 2242). Nevertheless, whether the priority of the EU's migration policy is to prevent or manage the irregular migration flows to Europe becomes questionable when examined in terms of its outcomes against its objectives. First, the EU's policy of externalizing its borders compounds the external dimension of the Common European Asylum System (CEAS) with the Global Approach to Migration and Mobility (GAMM). However, the externalization in practice has turned out to host asylum seekers in transit countries rather than facilitating access to Europe (Moreno-Lax 2015, 6). In terms of discouraging mobility, the EU assigns the transit countries to prevent irregular migration flows - managed through the European Neighborhood Policy through which the EU utilizes positive conditionality to motivate the countries surrounding Europe to cooperate (Dannreuther 2006). In practice, however, when the frontline states - such as Greece and Italy - have confronted the overwhelming burden of asylum processing during the migration crisis<sup>2</sup>, the Member States have seemed to have divergent views as to sharing the burden of irregular migrants, definitely demonstrating the failure of effective cooperation on migration within the EU as well as with the third countries.

It was in such a politicized and securitized context that the EU chose to benefit from the refugee deals as part of its cooperation strategy with third countries. It signed refugee deals with both Turkey and Libya in 2016 and 2017, respectively. The Turkish deal has been expected to stop migrants from reaching Greece while offering Turkey financial aid, visa liberalization dialogue, and opening new chapters in the accession process. In return, the EU promised to take refugees from camps in Turkey (Scazzieri and Springford 2017, 2). Next year, the Turkish deal has been complemented with the Libyan deal, in which Italy was delegated to negotiate and agreed to help the UN-backed government police its waters and train and equip its Coast Guard.

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<sup>2</sup>European Union: Council of the European Union, Regulation (EU) No. 604/2013 of the European Parliament and of the Council of 26 June 2013 establishing the criteria and mechanisms for determining the Member State responsible for examining an application for international protection lodged in one of the Member States by a third-country national or a stateless person (recast), 29 June 2013, OJ L 180/31-180/59; 29.6.2013, (EU)No 604/2013, available at: <https://www.refworld.org/docid/51d298f04.html> [accessed 12 September 2021]

In the following sections, we focus on the reasons why these deals have in practice turned into unsustainable policy frameworks for cooperation on migration. We point out the downsides of these deals by especially focusing on how the EU's security concerns have outweighed the humanitarian and social dimensions of irregular migration as a consequence of these deals. We thus concentrate on three distinct dynamics leading these deals to fail in reaching their humanitarian objectives.

First, the security of migrants in practice has become of secondary importance to the security of the state. From the perspective of the EU, the deals are exploited to create trade-offs, that is, while the EU is interested in motivating its partners to agree on taking back as many asylum seekers as possible including both nationals from the partner countries themselves and third-country nationals, the cooperating countries are given incentive as to obtaining advantages in diplomatic bargaining with the EU (Seeberg 2016, 3). However, although these deals have worked for alleviating the burden of irregular migration flows on the frontline states such as Greece and Italy which implement repatriation policies, they have also resulted in severe human rights violations in repatriation to Libya and Turkey. For instance, after these deals, UNHRC, in its May 2021 report, mentioned pushback cases from the Member States (Morales 2021), although it is prohibited by article 4 of Protocol No. 4 of the European Convention on Human Rights.

Second, the EU's externalization policy violates the 1951 UN Convention by preventing asylum seekers from reaching Europe. Since the EU's legal responsibility does not stop at the EU's physical borders, the Member States cannot avoid their responsibilities on protecting asylum seekers by transferring their obligations to third countries. This violation renders the deals extra-legal and incompatible with the EU's humanitarian obligations.

Third, the divergences between the Member States as to sharing the burden of asylum seekers violate their commitment to the EU treaties, thus undermining the mutual solidarity principle within the EU. For instance, in 2015, the countries such as Hungary and Slovakia - where the anti-immigration sentiments prevail - were opposed to the policy initiatives regarding the refugee flows and actively blocked access to their territories (Baldwin-Edwards and Lutterbeck 2019, 2243).

Accordingly, we argue that the deals shaped by the EU's security concerns fail to fulfill the EU's stated objectives as to refugee protection and asylum processing and undermine the cooperation on migration management with third countries as well as within the EU, resulting in these deals being unsustainable policy tools for cooperation on migration.



## *The Downsides of the EU-Turkey Deal*

The Turkish deal is an outcome of a mutual trade-off between the EU and Turkey where the EU gets fewer irregular migrants while Turkey is offered financial aid, visa liberalization, and revival of the accession process (Seeberg 2016, 2). However, considering the objectives of the deal<sup>3</sup>:

- returning to Turkey, all new irregular migrants (economic migrants and asylum seekers) crossing to the Greek islands;
- for every Syrian readmitted by Turkey from the Greek islands, resettling another Syrian from Turkey to the EU;
- accelerating implementation of the EU-Turkey visa liberalization roadmap;
- speeding up the disbursement of funds through the Facility for Refugees in Turkey and increasing its resources;
- expediting preparations for the opening of new chapters in Turkey's accession negotiations; and
- cooperating to improve humanitarian conditions inside Syria.

It is obvious that the deal practically benefits the EU's securitarian concerns without focusing adequately on the humanitarian dimension of irregular migration as well as undermining Turkey's migration management capacities in the long term.

For instance, Turkey fulfilled its responsibility of securing and controlling its borders to prevent irregular migration flows to Europe (179.536 irregular migrants in 2017 and 134.004 irregular migrants in 2018 used the Mediterranean route to reach Europe; the deal is especially effective in irregular migrants attempting to reach Greece (45.737) in 2018 (Goldberg 2018)). From the EU's perspective, the Turkish deal has been successful at least in two points: alleviating the pressure on Greece and the Balkan countries and appeasing the EU citizens harboring anti-migrant feelings.

From Turkey's perspective, on the other hand, the deal might weaken the political leverage Turkey holds, in that, Turkey might turn into a dumping ground for unwanted migrants in Europe. The Turkish deal clearly states that only those<sup>4</sup> who did not try or attempt to cross the EU borders will be eligible for the 1:1 mechanism, while the others will be denied international protection in Europe. Therefore, the deal involves certain discriminatory practices (Arribas 2016, 6), in that non-Syrian refugees are excluded from the resettlement system, clearly violating the refugee protection norm. Seeberg (2016) underlines that the relocation and resettlement system is not promising and

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<sup>3</sup>European Commission, *EU-Turkey Agreement: Questions and Answers*, 19 March 2016, [http://europa.eu/rapid/press-release\\_MEMO-16-963\\_it.html](http://europa.eu/rapid/press-release_MEMO-16-963_it.html)

<sup>4</sup>European Commission, *First Report on the Progress Made in the Implementation of the EU-Turkey Statement* (COM/2016/231), 20 April 2016, p. 2, <http://eur-lex.europa.eu/legal-content/en/TXT/?uri=celex:52016DC0231>



sustainable<sup>5</sup> despite the positive wording in the EU's statements. Besides that, the incentives offered to Turkey as to visa liberalization and opening of new chapters in the accession process have been put on hold by the EU which also fails to keep up with its promise of financial support to Turkey in improving the living conditions of the Syrian nationals under international protection, leaving Turkey alone in migration management.

We argue that these political ups and downs contribute to the politicization and further securitization of migration, as the deal also allowed the AKP administration to utilize the Syrian refugees as political leverage against the EU (Kaya 2020, 37). To Kaya (2020), Turkey's hosting over 4 million Syrians allows the AKP administration to be politically coercive against the EU as well as resulting in the de-Europeanization of the migration matters. For instance, when the EU dragged its feet to fulfill its promise of financial aid, Turkey threatened to open its borders for the refugees crossing to Greece and even opened them for a short term. Thousands of asylum seekers gathered at the Greek borders in 2020 (Deutsche Welle TR 2020). Only after the EU announced that it would increase its financial support, the conflict was resolved.

Accordingly, the practical outcomes of the Turkish deal affirm our argument that it has proven to be unsustainable as a policy tool in the EU's migration management tool kit. Turkey left alone in migration management, cannot handle the overwhelming political, economic and social burden of the migration as the EU's inadequate financial support and ineffective political mechanisms indirectly bolster the exclusionary and restrictive attitude against the asylum seekers (Zaragoza-Cristiani 2015). For instance, as a consequence of the securitization and politicization of migration, Turkey signs readmission agreements with the countries of origin, meaning that the non-refoulment principle and access to protection for asylum seekers in Turkey could be violated.

Overall, the EU's externalization policy's social, political, and economic cost undermines Turkey's migration management capacities and increases social tension and xenophobia in the Turkish public (Clapp 2020). In this regard, the EU should revise its approach to migration management to include more mechanisms to ensure the protection of asylum seekers (Deutsche Welle TR 2021). Otherwise, the securitized and politicized approach to migration would continue to be the main obstacle before sustainable and fair cooperation on migration with Turkey in the long term (Huysmans 2000).

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<sup>5</sup>European Commission, *Relocation and Resettlement: Member States Need to Sustain Efforts to Deliver on Commitments*, 09 November 2016, [http://europa.eu/rapid/press-release\\_IP-16-3614\\_en.htm](http://europa.eu/rapid/press-release_IP-16-3614_en.htm)

### *The Downsides of the EU-Libya Deal*

The practical outcomes of the MoU, similar to the Turkish deal, reflect the EU's prioritization of its security concerns. First, after the Arab Revolts, since there is still more than one political entity vying for power, there has not been a stable political context in Libya. The collapsed economy and unstable political institutions along with the breakdown of the rule of law only deteriorate the instability in Libya. According to the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) Libya office (2020): "Of the 538,000 migrants and 44,000 refugees in Libya, 56 percent of migrants and all refugees have unmet needs with consequences on their wellbeing, living standards, and resilience" (p. 36). Despite such an unstable context, cooperation with Libya was revived by the MoU in 2017 and the abhorrent conditions in Libya's detention centers have been overlooked. Moreover, Libya's status as a 'safe third country' is still questionable, considering that Libya lacks the necessary mechanisms for the security of asylum seekers and the protection of human rights. Pradella and Rad (2017, 2421) argue that this deal confirms the externalization policy and turns a blind eye to the human rights violations the migrants face in Libya.

Second, after the revolts, the institutional structure in Libya has become more complex and overlapping, which renders the cooperation on migration less efficient regarding the humanitarian conditions for asylum seekers. For instance, the detention centers in Libya have been controlled by the independent militia rather than Interior Ministry's Directorate for Combating Illegal Migration, which further deteriorates abhorrent conditions the migrant's face (Toaldo 2015, 11). Worse, the militias securing the Libyan coasts have also taken part in the smuggling networks (Scazzieri and Springford 2017, 3), resulting in migrants' suffering from human rights violations at the hands of smugglers (Micallef and Reitano 2018).

Third, besides lacking mechanisms for protection, the MoU now transfers the responsibility of the pushback operations to the Libyan authorities. While the MoU lifts the Italian authorities off their responsibilities, it epitomizes how the EU circumvents international and regional obligations, clearly violating the EU's fundamental values. However, the agreement focuses on preventing irregular migration from Libya, yet overlooks the losses of life at sea and in the desert, which still constitute a critical part of the migration, along with the prevailing illegal networks that control the human trafficking in the Mediterranean (Micallef 2017, 6). Toaldo (2017) argues that IOM data demonstrates how the migrants have increasingly stayed for shorter periods in Libya before setting out for Europe, especially after the Turkish deal closing the Aegean route. Therefore, instead of discouraging people from taking the dangerous journey of irregular migration, the EU's externalization policy has contributed to pushing factors for reaching Europe.

Fourth, the deal lacks clearly defined mechanisms that ensure cooperation not only with Libya but also within the Member States. For instance, “although in 2015, the EU promised to disperse 160,000 refugees from overstretched Greece and Italy to other EU countries, in 2016 only 8,162 people have been found a home” (Rankin 2016).

Overall, we argue that the Libyan deal has two critical downsides as to migration management. First, the deal is far from grasping the multi-faceted nature of Libya’s political-economic context. Second, the deal reflects the political and security concerns of the EU while overlooking to ensure necessary conditions and mechanisms for refugee protection.

## CONCLUSION


By examining the Turkish and Libyan deals, we demonstrate that the EU’s securitarian approach to migration management has further contributed to the securitization and politicization of cooperation on migration rather than producing a sustainable and effective policy framework. We acknowledge that both deals have reached their primary objective: to decrease the amount of irregular migration flows that use the Mediterranean and Aegean routes to Europe. However, considering the secondary objective of sending irregular migrants and asylum seekers to the “safe third countries”, the results are not promising as the former. We list three dynamics underlying the failure of deals as sustainable policy tools.

First, the mechanisms provided by the Turkish deal have proved to be discriminating and ineffective in the resettlement process. Similarly, the Libyan deal has failed to address the unstable political context in Libya as well as lacking transparent and effective regulations regarding access to protection and human rights, social integration and cohesion, and sending back migrants that repatriated from Greece and Italy to their home countries. Consequently, both Turkey and Libya can be argued to become more of a host country instead of a safe third country or transit country, resulting in the concept of the safe third country losing its meaning.

Second, these deals focus on decreasing the irregular migration flow to the EU, increasing allocation of resources to border and security control - technologically, technically, and financially - yet inadequately address the humanitarian and societal outcomes. To illustrate, neither Turkey nor Libya have received adequate financial and technical support in strengthening their capacities to handle irregular migration flows, primarily to ensure the migrants’ right to access to protection. Besides that, the EU’s security-oriented attitude directly leads to further illegal activities (Baldwin-Edwards and Lutterbeck 2019, 2254–55), in that, human traffickers and smugglers gain more control of the irregular migration. Yet, the deals have not provided effective mechanisms against human rights violations due to illegal human trafficking and smuggling activities. These failures create contradictory outcomes for the EU’s basic humanitarian

values as well as push more people towards Europe. Criticizing the EU's migration strategy, Andersson (2016) states that "a strategy will need to be global and systemic rather than ad hoc and national or narrowly regional; pragmatically, it must focus on rights and opportunities rather than security and threat scenarios, since the latter have proven counterproductive and abusive" (p. 1069). Consequently, although the EU's externalization policy has successfully increased the border control and security of the EU, it has resulted in the opposite for both Turkey and Libya's migration management capacities.

Third, transferring the responsibilities to third countries as part of cooperation on migration, the EU contributes considerably to the politicization of migration, in that, Turkey and Libya utilize the migrants and asylum seekers they hosted as political leverage against the EU. Moreover, the Member States seem to adopt a trend of signing informal and extra-legal arrangements with third countries to lift off their responsibilities as to providing protection and access to human rights for asylum seekers (Cassarino 2007), and it further politicizes the processes of cooperation on migration, preventing the formation of solid and sustainable ground for managing irregular migration. To ensure sustainable and fair cooperation on migration, we thus suggest that the EU countries had better revise their security-oriented approach to migration and be more motivated to fulfill their obligations regarding the human rights of asylum seekers.

Otherwise, illegal networks will continue to exploit this opportunity and cause more human rights violations. Therefore, instead of the securitarian 'Fortress Europe' approach that raises the walls of Europe, a multilateral and multi-dimensional policy framework for cooperation on migration that takes into consideration not only the migrants and asylum seekers' need for protection but also the varying capacities of the involving countries become more and more necessary to provide a concrete solution to irregular migration. 

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# POLITICAL IMPLICATIONS OF THE COVID-19 PANDEMIC IN CENTRAL ASIA: INSIGHTS FROM KAZAKHSTAN, KYRGYZSTAN, AND UZBEKISTAN

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**Abstract:** *The objective of this paper is to explore the political implications of the Covid-19 pandemic in the Central Asian countries of Kazakhstan, Kyrgyzstan, and Uzbekistan. Studies displayed that although these governments varied in their initial response to the pandemic, all three underwent a uniform experience as to its broader effect of amplified authoritarianism. The public health crisis was utilized as a pretext to consolidate autocratic power, suppress regime criticism, and restrict the political rights and freedoms of citizens. Of particular concern were implications on media and civil society organizational efforts, statuses of detainees, ethnic minority rights, and freedoms of assembly and speech. This paper is an in-depth case analysis that uses policy analysis and process tracing to examine the Central Asian countries' response to Covid-19 and its effects on human rights and political freedoms in the named countries. It concludes that despite the changes in leadership and relative progress towards democratization, authoritarian patterns ensued and changed form during the pandemic period in these Central Asian countries.*

**Keywords:** *Central Asia; Covid-19 Pandemic; Authoritarianism; Political Freedoms; Leadership Change*

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## INTRODUCTION

Amongst the impacts of the Covid-19 pandemic was providing governments with an opportunity to assess their overall efficiency. Political regimes worldwide underwent a test in the backdrop of the global pandemic. Expressly, their capabilities to deal with the crisis democratically, without undermining the citizens' rights and freedoms or advancing authoritarian agendas under the guise of combating the pandemic were tried. While most countries with healthier democratic institutions ensured that any restrictions on rights and freedoms were necessary and proportionate, a number of their peers pursued clumsy or ill-informed strategies. In several cases, the crisis has been exploited by dictators to suppress opposition forces and fortify their power (Repucci and Slipowitz 2021, 46).

Central Asian countries also faced new challenges because of the Covid-19 outbreak. Governments have adopted a variety of policies to limit the spread of Covid-19, many of which restricted the political rights and freedoms of citizens. The health crisis became a source of further social tensions, which also disturbed interethnic relations in these countries.

This paper specifically addresses the following questions:

1. How do the governments of Kazakhstan, Kyrgyzstan, and Uzbekistan exploit the Covid-19 pandemic to impede the political rights and freedoms of citizens?
2. Has the leadership change in Central Asia served as a redirection from past authoritarian patterns?

This paper is an in-depth case analysis that uses policy analysis and process-tracing to examine the Central Asian countries' response to Covid-19 and its effects on human rights and political freedoms in Kazakhstan, Kyrgyzstan, and Uzbekistan.

### **AUTHORITARIAN PRACTICES AND THE EFFECTS OF THE LEADERSHIP CHANGE IN KAZAKHSTAN, KYRGYZSTAN, AND UZBEKISTAN**

Following the dissolution of the Soviet Union, Central Asian countries took certain steps towards democracy with the adoption of new constitutions, the creation of political parties, and the holding of elections (Haerpfer and Kizilova 2020). Nevertheless, this movement soon weakened, and most Central Asian states refocused on the implementation of an authoritarian rule, with wide-ranging power vested in the executive.

In particular, the state of human rights in Central Asian countries has become a cause of great apprehension among the observers of the region. Some observers attribute the worsening record of human rights to the authoritarian rulers of the region (Edel and Josua 2017, 7), others emphasize weak international engagement and poor contact with the outside world during the 1990s (Melvin 2008, 2), whereas a group of commentators believes the cause to be due to the Soviet authoritarian legacy combined with local conservative political culture (Matveeva 1999).

Recently, Central Asian republics have experienced leadership changes. The authoritarian rulers in power before the collapse of the Soviet Union are, in most cases, no longer in power, and some countries are now led by their successors (Olmos 2020). There are certain positive inclinations towards the protection and promotion of human rights with new rulers attempting to portray themselves as 'reformers'. Nonetheless, it can be argued that the rhetoric of change fails to coincide with genuine reforms undertaken. Since gaining its independence, Kazakhstan has put forth a concerted effort to portray itself as Central Asia's success story. In some respect, it is indeed considered a regional leader, such as in rapid modernization, economic growth, political stability

compared to its regional neighbors, etc. (Marat 2009). However, as it pertains to the landscape of human rights, the records prove to be unsatisfying, to say the least. At times, relative political stability is achieved by sacrificing individual rights and freedoms. This said, the 2019 leadership change in Kazakhstan brought about only some positive changes but did not significantly improve the environment.

During the first months of his presidency, Kazakhstan's newly elected President Tokayev tried to retain continuity with Nazarbayev's legacy on the one hand, and on the other hand, he offered systemic reforms in response to the growing requests for change. He described his approach as a 'listening state' - a state which listens to the comments and criticisms of society (Starr 2019). Meanwhile, in the context of Nazarbayev's ongoing influence, in both a formal and informal sense, his room for independent policy-making was limited. His influence over the state's bureaucracy has remained significantly weak, even before the crisis that descended upon Kazakhstan and the world a year after he arrived in the presidency (Hug 2021, 9).

Independent Kyrgyzstan's first President, Askar Akayev, a representative of the same Soviet nomenclature as Nazarbaev, has managed to undertake more drastic attempts at democratization, compared to the leaders of his Central Asian neighbors. This was, in part, possibly due to the country's poor economy. As a result of it, during the 1990s the country became increasingly dependent on foreign credits and loans, which led to a positive international influence on the speed of democratic reforms (Zhovtis 2008, 20). The outcome of this dependence was the securing of the country's reputation as an "Island of Democracy" (Terzyan 2021). Nevertheless, throughout post-Soviet history, there have been noteworthy concerns about its political health. Despite the initial objectives of becoming a sound democracy where human rights are respected and protected, actual reforms to obtain said objective never took place. Cameron (2021) describes the country's elements as being endemically corrupt, lacking political will, and possessing a culture of impunity, or 'legal mentality' - a mindset where people believe that there will be no consequences for ignoring or subverting the legal process (p. 111). Beyond this, every elected president in Kyrgyzstan has either been removed from office by protests or been subsequently imprisoned after their term of service had expired (Hug 2021, 6). The parliamentary elections held in Kyrgyzstan on 4 October 2020 led to the third revolution in the history of independent Kyrgyzstan. Whereas the primary demand of the October protests was to denounce election results, Japarov's rise to power gave rise to rushed efforts amid the pandemic to introduce far-reaching constitutional reforms in Kyrgyzstan. A key component of the constitutional changes was the transfer of powers back to the president, including the right to appoint and dismiss the cabinet, initiate draft laws, and other functions that were stripped from the executive in the aftermath of the 2010 constitutional reform. These efforts to return Kyrgyzstan to a presidential-oriented system were largely viewed as an attempt to monopolize formal power in the hands of a future president (Freedom House 2021).

As for Uzbekistan, under the authoritarian dictator Islam Karimov, the country was ranked alongside North Korea for its disregard of political rights and civil liberties (Financial Times 2021). However, after Uzbekistan's current President Shavkat Mirziyoyev assumed the presidency in 2016, the government has taken some progressive steps to better its human rights record and to engage with the outside world. Although some progress has been made regarding human rights, the political system remains largely authoritarian. Uzbek leadership has introduced central aspects of the Western model to tackle human rights concerns. Unfortunately, this introduction continues to face strong resistance. Uzbekistan remains an authoritarian state with a presidential system, where authoritarian practices and attitudes determine the behavior of relevant political actors. Especially where conflicts occur, it is apparent that the past - which the new leadership strives to bury - is far from dead (Schmitz 2020, 6).

To varying degrees, these political problems have been exacerbated during the pandemic. As Gleason and Baizakova (2020) aptly note, while Covid-19 challenges all societies and all countries in the same way, some unique conditions place individual countries in comparative advantage, and some place them at a disadvantage (p. 102). From the beginning, Central Asian governments have adopted different approaches to the pandemic, but the broader effect of it on human rights and freedoms has been similar across the region. The crisis has resulted in growing restrictions on political rights and freedoms, as regional authorities have limited those freedoms in ways that surpass public health concerns.

### **POLITICAL FREEDOMS IN KAZAKHSTAN, KYRGYZSTAN AND UZBEKISTAN AMID THE PANDEMIC**

The year 2020 was turbulent for Kyrgyzstan not only due to the pandemic, but also due to the parliamentary elections rife with fraud, and the following political upheaval. These events have greatly shaped the course of other events that occurred during the year. They also demonstrated the weaknesses of civil society and state institutions, particularly those tasked with protecting human rights and ensuring inclusive and transparent processes in the decision-making process (Nations in Transit 2021). The crisis mismanagement and the worsening of the socio-economic situation have also largely contributed to the decline of confidence in the authorities (Doolotkeldieva 2021, 161-162).

Equally, Tokayev's presidency in Kazakhstan commenced with continuous public protests, interethnic violence in Korday, a failure of dam construction, and massive flooding on the border with Uzbekistan, and eventually ended by the Covid-19 pandemic. Against this framework, the newly elected president, who depicts himself as a reformer, initiated a range of political changes that were either fundamentally superficial or failed to meet international standards (Terzyan 2021). Moreover, in 2020, authorities



further narrowed the space for government critics by cracking down on oppositional movements, independent media, civil society organizations, and activists, often under the pretext of fighting the pandemic (Nations in Transit 2021).

As for Uzbekistan, President Mirziyoyev's reform agenda decelerated during the pandemic, since no substantial changes were presented, and the government appeared to lose momentum. Although the country did not experience critical setbacks, there are warning signs that the reform agenda could regress in the coming years. In part, this is due to security services reasserting themselves through media pressure and episodic internet blocks, as the country responded to the Covid-19 crisis (Freedom House 2021).

Overall, the political challenges (stemming from the crisis) originated in various forms in those countries. Mostly affected were the freedom of assembly and movement, freedom of expression, the work of civil society organizations and mass media, as well as the rights of minority groups.

The emergency regime featured a series of restrictions on the freedom of assembly. In May of 2020, the president of Kazakhstan signed into law new legislation supposedly reforming the right to protest in the country (HRW 2021). Nevertheless, authorities have ignored the calls to reopen channels for public consultation and to collaborate with international human rights experts. As a result, the new law falls short of meeting international human rights standards in several facets, including by "*de facto* retaining the requirement to obtain approval from local authorities before protests, setting out a cumbersome procedure for doing so, allowing assemblies only in venues designated by local authorities" (IPHR 2020), and providing for an extensive list of grounds on which authorities may refuse to allow assemblies to take place (IPHR, KIBHR, LPF, TIHR, HRCA 2020, 6). Rather, authorities allowed an opposition rally in mid-September and one for political reforms on 31 October to take place, but hundreds of people who tried to exercise their right to peacefully protest on other occasions in 2020 were detained, fined, or even sentenced (HRW 2021).

Throughout the pandemic, the government of Kyrgyzstan also used public health concerns as a pretext for preventing peaceful protests (US Department of State 2021). Interestingly, the country informed the UN Secretary-General about its derogation from the provisions of the International Covenant on Civil and Political Rights, thus becoming the only Central Asian country to take the exceptional step of derogation under the ICCPR in the context of the Covid-19 pandemic (IPHR 2020). Nevertheless, the restrictions did not prevent the change of power in October 2021. The mass mobilization resulted in the removal of the incumbent president from office and Sadyr Japarov's transition from 'political prisoner' to acting president in a matter of just ten days.

These events led to a sharp decline in the country's status in international rankings. Its status plummeted from 'Partly Free' to 'Not Free', given the fact that "the aftermath of deeply flawed parliamentary elections featured significant political violence



and intimidation that culminated in the irregular seizure of power by a nationalist leader” (Freedom House 2021). Still, its status stands above the three of its Central Asian neighbors, which is based on the evaluation of its civil liberties score exceeding its score for political rights.

In Uzbekistan, the freedom of association and peaceful assembly remains tightly regulated. In August of 2020, the government published the Draft Law on Public Assemblies, which requires organizers to apply for permission at least 15 working days before the planned date of a mass event, despite promises made by Uzbek officials to bring the law in line with international rights standards (HRW 2020).

Under the guise of combating the pandemic, Central Asian governments also prosecuted the regime’s critics and weaponized existing laws to limit the freedom of expression. In June of 2020, a court in Almaty sentenced prisoner of conscience Alnurlyyashev, a human rights activist, to three years of restricted freedom and a ban on political and civic activism for five years for criticizing the government’s handling of Covid-19 (Amnesty International 2020).

Similarly, in Kyrgyzstan, from the time of interethnic clashes of 2010, human rights defenders remain as perpetual outcasts to the authorities. For example, human rights organizations, including Human Rights Watch, Amnesty International, and International Federation for Human Rights, called for the release of an imprisoned human rights activist and journalist, Azimjan Askarov, who consistently documented abuses during the interethnic violence in 2010. Despite complaints from his lawyer and human rights organizations that he was gravely ill, Askarov died in prison in July likely due to Covid-19, and was only moved to the prison hospital two days before his death (US Department of State 2021). The death in custody of the wrongfully imprisoned human rights defender left an irreparable mark on the country’s international human rights record.

Comparably, in Uzbekistan, the freedom of expression remains rather fragile. There has been increased governmental pressure on media and civil society in response to the Covid-19 pandemic. The government exercises official and unofficial restrictions on citizens to criticize the government or to discuss matters of general public interest. The law restricts criticism of the president, and publicly insulting the president is a crime for which conviction is punishable by up to five years in prison (US Department of State 2020).

The abusive effect cloaked as an effort to contain the pandemic has been predominantly evident by the approach to independent media, which has become a crucial platform of interaction, as a result of lockdown measures and lack of alternative mediums. On 23 August 2021, President Japarov signed into law a ‘fake news’ bill approved by the Kyrgyz parliament in late July. The law, titled ‘On Protection from Inaccurate (False) Information’, had been sharply criticized by human rights organizations, which said it would threaten free speech in Kyrgyzstan (Putz 2021).

The parliamentary deputies who proposed the bill claim that it is necessary to fight the spread of false information about the Covid-19 pandemic. However, the Law's all-encompassing reach, vague terminology, and redundancy with existing legislation suggest that its true motivations run deeper (Simpson 2020). The critics of the Law argue that the new law poses a serious threat to free expression and media freedom in Kyrgyzstan and would deeply mar the country's human rights reputation (HRW 2021). It was also assumed that a series of controversial social issues, such as LGBTQ rights or women's rights, would likely be the target of complaints (Putz 2021).

Regardless of some reservations, the progress towards the expansion of media freedom has been traced in Kyrgyzstan. In June 2020, the authorities decriminalized defamation. This was an important step in abolishing the Law of the Republic of Kazakhstan on Mass Media (in force since 1999), which established strong bureaucratic control over freedom of expression. Meanwhile, 'defamation' has instead been replaced from the Criminal Code to the administrative penalty. Journalists face a serious fine and a maximum of 30 days in prison in case of proven defamation (Azhenova 2021, 57).

As for Uzbekistan, media freedom has slightly improved under the rule of President Mirziyoyev (IPI 2021). Nevertheless, mainly since the pandemic, the media has been tightly controlled by the authorities. After instituting a harsh public lockdown in March 2020 with significant restrictions on the movement of citizens, President Mirziyoyev justified his approach by saying, "If we are not heavy-handed, the situation will worsen (...) Japan prevented the rapid spread of the virus. Why? Because of strict orders" (Hashimova 2020). Before and during the Covid-19 pandemic, journalists presented daily reports of harassment of media personnel such as journalists and internet bloggers. Some journalists said they believed the security services used the pandemic to remind media that 'they are still in charge', despite the president's public claims that journalists and bloggers are a vital part of the country's reform process (US Department of State 2020).

In the shadow of the pandemic, Central Asian governments have also initiated new measures to constrain the region's already narrow space for civil society. The authorities sought to control NGO activity, internationally funded NGOs, and unregulated Islamic and minority religious groups. The operating environment for independent civil society human rights defenders remain under strict state control. Meanwhile, in the case of Uzbekistan, several activists reported improved cooperation with government officials (US Department of State 2020).

Furthermore, counterterrorism and anti-extremism legislation are misused to target and criminalize the work of the civil society. In "Kazakhstan nonviolent criticism of State policies can effectively constitute a criminal offense" (US Department of State 2021), wrote the UN Special Rapporteur on the promotion and protection of human rights and fundamental freedoms, "as the provisions on extremism and terrorism have

been applied to criminalize the peaceful exercise of freedom of expression and thought” (US Department of State 2021).

Amid the pandemic, prisoners have also appeared to be at a heightened risk. Since the beginning of the emergency, prisons and other detention institutions in Kyrgyzstan have been completely closed to lawyers as well as to monitors from the National Center for the Prevention of Torture, which Kyrgyzstan established to help prevent ill-treatment under its obligations as a party to the protocol to the International Convention Against Torture (HRW 2020).

Likewise, human rights defenders in Kazakhstan complained about the inaccessibility of correctional institutions for treatment monitoring and urgent visitation during the quarantine period. Pandemic restrictions further undermined the access to justice and legal support for defendants, including unequal rights of parties in online courts, noncompliance with the requirements of court proceedings, and compromised confidentiality of communications (Freedom House 2021).

In Uzbekistan, more than 50 people imprisoned for politically motivated charges have been released since September 2016, including human rights activists, journalists, and opposition activists. Uzbekistan has also reportedly released hundreds of independent Muslims, who practice Islam outside strict state control (HRW 2020). Whereas prisoners have been especially vulnerable during the Covid-19 pandemic, authorities have failed to undertake significant efforts to reduce the prison population by implementing early, temporary, or short-term release schemes for relevant categories of prisoners (IPHR *et al.* 2020, 17). In its statement following the annual Human Rights Dialogue with Uzbekistan, the European Union called on Uzbekistan to “take further commitments to eradicate torture, which include granting unhindered and independent monitoring to detention facilities” and “emphasized the need to rehabilitate former prisoners” (HRW 2021).

In the wake of Covid-19, the protection of minority rights also became a subject of concern. As the UN Special Rapporteur on minority issues suggests, “Covid-19 is not just a health issue; it can also be a virus that exacerbates xenophobia, hate, and exclusion” (UN Department of Global Communications 2020). This lack of tolerance towards minorities mainly manifested in Kyrgyzstan, since the country’s southern region is considerably different in terms of political culture from the north.

In a submission to the UN Committee on the Elimination of Racial Discrimination in October 2020, human rights groups expressed their concern about the heightened plight of ethnic minorities at a time of social and political instability following mass protests, the president’s resignation, and the postponement of parliamentary elections. Ethnic minorities living in crowded settlements have faced additional risks during the pandemic. Several factors can explain this phenomenon, including linguistic reasons that many ethnic minorities do not speak the Kyrgyz or Russian languages fluently, lack access to the internet and social media, and follow certain religious and traditional

practices that make social distancing difficult (Ismailova 2021). Overall, ethnic minorities, who make up 26.3 percent of the population, remain underrepresented in both elected and appointed government positions, particularly Russians and Uzbeks - the two largest ethnic minority groups (Abdukhalilov 2021, 69). The participation of minorities in public life in Kyrgyzstan is extremely limited compared to the proportion of these minorities to the country's total population (Abdukhalilov 2021, 69).

During his presidential campaign, Japarov joined the Agreement on Rights and Freedoms, pledging to guarantee freedom of speech, democracy, rule of law, and human rights in Kyrgyzstan. In his inauguration speech, he stated that he has a dream that Kyrgyzstan will become an economically developed, dynamic, strong, and free country, where human rights are respected, rule of law is supreme, and the youth are optimistic about their future (HRW 2021). Sadly, genuine reforms have not been implemented.

Rather, the Kyrgyz authorities initiated amendments to the Criminal Code that is believed to place the political opposition and human rights groups at heightened risk. The government has proposed to broaden the scope of criminal prosecution for organizations deemed 'extremist' to include those found to incite 'political enmity', along with national, ethnic, or racial enmity, and to make financing such 'extremist' organizations a criminal offense (HRW 2021). These changes would undermine the universally protected rights to freedom of association and expression in Kyrgyzstan. Such concerns are further compounded by Kyrgyzstan's lack of an independent judiciary system (HRW 2021).

As for Kazakhstan, in February 2021, the European Parliament passed a resolution largely criticizing the condition of human rights in the country. The concerns particularly refer to its human rights record, the plight of ethnic minorities, women, and LGBTI residents, a crackdown on opposition groups, the deteriorating situation of political prisoners, etc. (EP Resolution 2021).


In June 2021, President Tokayev, as partly a response to the resolution, signed a Decree entitled 'On Further Human Rights Measures in Kazakhstan', which he said represents an important step in the political modernization of the Central Asian country (The Astana Times 2021). According to the decree, the human rights priority action plan includes developmental measures for cooperation with the United Nations (UN) treaty bodies and the UN Human Rights Council. The elimination of discrimination against women, protection of freedom of association, and freedom of expression are highlighted as areas of priority. Moreover, an increase in the efficiency of interaction with non-governmental organizations and bringing forth the human rights agenda in the criminal justice system to prevent torture and ill-treatment are also incorporated in the action plan (The Astana Times 2021).

In Uzbekistan, despite the decrease of the reformation because of the pandemic, President Mirziyoyev continues to call for democratization and speaks repeatedly about

the need to protect freedom of speech and end abuse by officials (Freedom House 2021). This raises the expectations of citizens and instills hope that they will enjoy greater political freedom. The question of whether the authorities can meet these expectations remains to be seen.

## CONCLUSION

In conclusion, the pandemic uncovered deeply ingrained human rights issues in Central Asia. Whereas the governments of Kazakhstan, Kyrgyzstan, and Uzbekistan have adopted varying policy measures in response to the crisis, its wider influence has been similarly reflected across the region. In the shadow of the Covid-19 pandemic, authorities prosecuted regime critics and used the existing legal measures to limit their political rights and freedoms. Additionally, concerns mainly refer to the freedom of assembly, freedom of expression, the working environment of media and civil society as well as the situation of detainees. Lastly, the pandemic has indirectly affected certain ethnic, national, regional, and other groups. This is apparent in the case of Kyrgyzstan, where ethnic minorities not only do not fully enjoy political rights and freedoms but remain largely underrepresented.

Overall, notwithstanding the leadership change in the named Central Asian countries and some progress towards democratization, authoritarian tendencies continue to ensure and take on different forms during the pandemic period. Amongst other non-democratic regimes, the Central Asian governments tended to curtail political freedoms and human rights during extraordinary times, whilst invoking the facade of justification as the need to fight the pandemic crisis. 

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